

# Herald Tribune

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## Reagan Asks Israel for Cease-Fire, Withdrawal



Israeli soldiers sitting in a jeep guard Palestinians on a road in southern Lebanon.

### 20 More Syrian Jets Reported Shot Down

JERUSALEM — Israel said its planes shot down 20 Syrian jets and two helicopters in dogfights over Lebanon Thursday, and an Israeli official said his nation would agree to a cease-fire if Syrian forces stopped attacking Israeli troops.

Yitzhak Mordechai, an Israeli Cabinet minister, said Israeli troops had achieved most of their military objectives against Palestinian guerrillas and would accept the cease-fire — reportedly demanded by President Reagan in a message to Prime Minister Menachem Begin — if the Syrians halted their attacks.

The Syrian state radio claimed that Israeli jets strafed convoys of travelers at a checkpoint on Lebanon's northern border with Syria, killing 57 travelers and wounding 75. There was no immediate Israeli comment. If true, it would be the northernmost Israeli attack in the five-day invasion, which was launched Sunday with the stated goal of pushing Palestinian forces back from the Israeli border.

Israel said its jets shot down 20 more Syrian planes and two helicopters over Lebanon, bringing to 59 the number of Syrian aircraft reportedly shot down since the fighting began Sunday. Israel said 30 Syrian planes were downed Wednesday.

In leaflets dropped over the capital, Israel warned that its invasion forces were far superior in men and weapons and would take Beirut "no matter what the price." With its forces poised on the outskirts of the capital, Israel vowed "in a short time we will take over the city."

The warning that the Israelis had large numbers of infantry, naval and air forces "allocated for the city of Beirut" was directed to the commander of the Syrian brigade in Beirut — apparently to avoid war with Syria — but it contained no advice for the terrified civilian population.

An Israeli military officer said the possible cease-fire in Lebanon meant "we'll have to get it all over with today," referring to the army's mission of destroying Palestinian guerrilla headquarters, training camps and supply centers.

A senior Israeli official, who declined to be identified, said Israel has "no intention whatsoever of occupying anything in Beirut." "We could have agreed to the cease-fire even now, but the Syrians are still endangering our ground forces and we have to defend them," he said.

In order to complete their offensive against the Palestinians, the Israeli troops must enter guerrilla-occupied West Beirut, and they threatened to do so in the leaflets dropped on the capital.

The command said the latest air battle, over eastern Lebanon, occurred during a clash between Israeli troops and Palestinian-Syrian forces. The Israeli planes were said to have intercepted the Syrian jets as they attacked Israeli positions. But another Israeli official said the air battles resumed because the Syrians tried to move in replacement for 19 surface-to-air missile batteries knocked out in raids Wednesday.

In the fifth day of Israel's air, sea and land invasion, its armor reportedly was at Khaddeh, two miles (3.6 kilometers) from the airport and only two miles from Palestinian Liberation Organization headquarters in the capital.

An estimated 25,000 Israeli troops controlled most of southern Lebanon and its air force won command on the skies from Syria on Wednesday in what was called the largest aerial battle since World War II.

Israel said it destroyed all Syrian surface-to-air missile batteries in eastern Lebanon and shot down 23 Syrian planes, increasing fears that the Lebanon invasion could lead to a fifth Middle East War.

"Fight, Fight, Fight!"

Communiqués from the PLO said several residential neighborhoods in southern Beirut were hit by Israeli aircraft. The PLO said its forces turned back repeated Israeli attempts to land troops at Beirut airport.

"The enemy is bombing our camps, our women, our children," screamed the newscaster of the Voice of Palestine radio. "But we shall fight, fight, fight!"

Col. Abu Zaim, a senior Palestinian staff officer, was quoted by the PLO as saying the joint Palestinian and Lebanese forces were "outnumbered and outgunned" by the Israelis.

Lebanese officials have spoken of thousands of Lebanese and Palestinians killed and wounded. In London, the PLO said more than 10,000 civilians had been killed or wounded in Lebanon during the hostilities.

A PLO statement issued in London quoted the Red Crescent, the Lebanese Red Cross organization, as saying most casualties were the result of "indiscriminate shelling and bombing of towns and villages."

Israeli Losses  
Israel put its losses at 45 dead, six missing and 308 wounded in the first four days of fighting. Meanwhile, Britain, Canada, France and the Netherlands urged their citizens to leave West Beirut, where most Muslims live. Hundreds of local residents and foreign correspondents have begun moving to relatively tranquil Christian East Beirut.



President Reagan

### Message No Ultimatum, Israeli Official Asserts

BONN — President Reagan sent Prime Minister Menachem Begin of Israel a "personally crafted... persuasive and friendly... but firm" letter demanding a cease-fire and Israeli troop withdrawal from Lebanon, White House officials said Thursday.

Besides appealing to Mr. Begin, Mr. Reagan urged all "interested" parties, including the Soviet leader, Leonid I. Brezhnev, to use their influence "to help bring the bloodshed to an end," officials said.

Secretary of State Alexander M. Haig Jr. confirmed that Mr. Reagan had received a letter from Mr. Brezhnev containing an "Iran expression of concern about the widening action" as Israeli forces engaged Soviet-supported Syrian missile sites and aircraft in the war zone.

The deputy White House press secretary, Larry M. Speakes, accompanying the president, refused to reveal details of the message sent to Mr. Begin. But he described it as "consistent with our previous position," adding, "We want a cease-fire. We want an Israeli withdrawal."

Israeli radio said Mr. Reagan's message urgently demanded an immediate cease-fire. But Yitzhak Mordechai, an Israeli Cabinet minister, denied the United States was pressuring Israel. "There is no ultimatum," he said.

The radio said the Reagan message had been delivered by U.S. Ambassador Samuel W. Lewis, who returned five hours later for Mr. Begin's response. The response was not immediately revealed.

To an unexpected development, Saudi Arabia's foreign minister, Prince Saud al-Faisal, flew to Bonn for hastily arranged talks with Mr. Reagan. Prime Minister Margaret Thatcher of Britain, and officials of France and West Germany at Thursday's one-day meeting of North Atlantic Treaty Organization countries.

After his meeting with Mr. Reagan, Prince Saud told reporters, "What we are expecting from the United States is a clear sign of its position as regards this provoked and premeditated aggression on the part of Israel."

The prince said he felt Mr. Reagan "shared the anxiety and the appreciation of the danger of the situation. We hope that this appreciation and anxiety will translate themselves into complete action by the United States to bring about a complete withdrawal."

Israelis Invite Haig  
Mr. Haig said he was invited to fly to Jerusalem by the Israelis. "I thought about it," the secretary said. "I think I would say that the discussions we've had with the Israelis today have not evidenced sufficient flexibility to make a visit worthwhile at this time." Edwin Meese 3d, White House counselor, said "there is no reason and no point" for such a trip.

Mr. Meese described Mr. Reagan's message to Mr. Begin as "personally crafted by the president himself, because he knows how to get Mr. Begin's attention." He said, "It was very persuasive and friendly — but firm."

Mr. Meese added that Mr. Reagan had no plans to cut off aid to Israel. (Continued on Page 2, Col. 5)

### Up to 50 Reportedly Killed In Attack on 2 British Ships

By R.W. Apple Jr.

New York Times Service

LONDON — As many as 50 soldiers and sailors may have been killed in enemy air attacks on British military ships on Tuesday, unidentified military sources said Thursday. They described the episode as Britain's most serious setback in the war in the Falkland Islands.

For the first time since hostilities began almost 10 weeks ago, the government refused to disclose casualty figures. Speaking in the House of Commons, John Nott, the defense secretary, asserted that details of British losses "could be of benefit to the enemy and put our men at greater risk." His statement lent credence to the belief that the losses were the worst of the war.

At the North Atlantic Treaty Organization summit conference in Bonn, Prime Minister Margaret Thatcher spoke of "quite a considerable number of casualties."

Mr. Nott dismissed a suggestion from a member of the Labor opposition that the Falklands conflict was turning into "Britain's Vietnam," characterizing the war as "a series of major victories with some setbacks." He promised that British troops would "go forward with another victory very soon," a reference, presumably, to the long-anticipated attack on the Argentine garrison of about 7,000 bottled up in and near Stanley, the islands' main settlement.

The minister insisted that the plans of the task force commander, Rear Adm. John F. Woodward, had not been jeopardized by the effects of the Argentine attacks. But he did not specifically say that there would be no delay, and Brig. Tony Wilson, commander of the

The pope, who arrives in Argentina on Friday, will find his church in the midst of change. Page 2.

5th Brigade, was quoted in correspondents' dispatches as saying, "Until we have assessed the situation, we do not know how much this will change our plans."

Mr. Nott told the Commons that the equipment and supplies lost during the attack were being made up from stocks on the islands.

Roaring in from behind an island ridge, Argentine Skyhawks and Mirages bombed two 3,674-ton landing ships in the estuary at Fitzroy, about 15 miles (24 kilometers) southwest of Stanley. Each of the ships, the Sir Galahad and the Sir Lancelot, had carried between 250 and 400 troops to the beachhead.

Both were set afire and had to be abandoned, military sources indicated, but it was the Sir Galahad that took the brunt of the attack. With both the ship and oil-covered water surrounding it afire, with ammunition boxes and fuel tanks exploding, hundreds of men were

burned. An army doctor at Fitzroy, treating casualties plucked from the burning ship and from the water by helicopter pilots, said that he had "never seen anything as horrifying."

A smaller landing craft was also hit near Lively Island, to the south, and its stern was blown off. Mr. Nott confirmed that in that incident, two sailors and four Royal Marines had been killed.

The sole consolation for the British was that Harrier jump-jets managed during the day to shoot down six or seven enemy jets and to damage four others so severely that they were considered unlikely to reach home.

The losses at Fitzroy and at nearby Bluff Cove appeared to have hardened rather than lessened the British government's determination to press on with the task of driving the Argentines off the islands. Home Secretary William Whitelaw, who was standing in for Mrs. Thatcher, rejected any notion of talks at the United Nations or elsewhere.

"Since our landings on the islands and the losses we have incurred, it is unthinkable to negotiate about the future of the islands as if everything was still as it had been before," Mr. Whitelaw declared to Tory cheer. "The situation has moved on."

#### INSIDE

■ Republicans and conservative Democrats in the U.S. House, heeding a telephoned appeal from President Reagan in West Germany, again joined forces to pass a budget for 1983 that cuts deeply into domestic spending. Page 2.

■ The thyroid gland, the body's thermostat, is often wrongly blamed for health problems. How the gland works, what it does and why it goes wrong are explained in an article in the Trib's new, weekly science section. Page 6.

■ General Motors has reportedly asked Toyota to supply 200,000 to 300,000 cars a year from factories in Japan beginning about 1985. Page 7.

■ The Soviet press agency said that President Reagan's call for a crusade against communism "may end only in catastrophe." Page 3.

■ Japan says that it is building up its military forces as a first step toward the eventual reduction of the level of armaments in the world. Page 3.



Rainer Werner Fassbinder, the West German movie director, was found dead in Munich. Page 5.

### Argentina Said to Get New Missiles, Planes

By Jackson Diehl and Margot Hornblower

Washington Post Service

BUENOS AIRES — Argentina has bolstered its South Atlantic fighting force with new supplies of planes and missiles after a world-wide arms-gathering mission aided by Latin American nations, Israel and Libya, according to Argentine military and Western diplomatic sources here.

In the last several weeks, Argentina has received munitions and spare parts from Peru and Venezuela, and French-made Exocet air-to-surface missiles, probably from Iraq via Libya, these sources said.

Two Western diplomatic sources also said that Argentina had received 24 American-made A-4 Skyhawk fighter-bombers from Israel. Argentine sources, while not confirming this report, said that Argentina had received a small number of fresh planes, including two surveillance planes from Brazil.

Israeli Denial  
Israeli officials have denied supplying Argentina with planes since Argentina invaded the Falkland Islands April 2. The sending of Skyhawks from Israel to Argentina would violate U.S. stipulations against transfer of arms sold abroad.

Argentina has sought to purchase arms from a wide variety of countries in an effort to replace the heavy losses of materiel it has suffered in more than six weeks of fighting with Britain in the South Atlantic. Argentine sources indicated, however, that the resupply effort has not been completely successful.

"We have been looking everywhere, and we have been buying from anyone who will sell," an informed Argentine government official said in an interview. "But it has been very difficult, and we have not been able to get all we wanted."

Sources said Argentina has been inhibited in its arms search by the unwillingness of Latin American countries to supply such scarce items as planes and the difficulty of adapting new missile or other weapons systems to existing Argentine equipment and of training personnel to use them.

Effect on War Doubtful  
Diplomatic sources also said they doubted that the new supplies would affect the outcome of the Falklands fighting or substantially help Argentina's military command in its announced intention to carry on the war even if the battle of the Falklands is lost.

Despite the new weapons, the Argentine Air Force, which has carried the brunt of the fight until now, recently reported to the military command that its fighting capacity was down by nearly 30 percent, according to a high-ranking military official.

It was not clear if this percentage included planes that had suffered breakdowns or damage during the conflict as well as those that had been shot down. But the figure, which the source said applied to high-performance planes of the air force, would represent losses far higher than Argentina has admitted and close to the approximately 40 top planes that Britain claimed to have downed before Tuesday's air battles.

In recent weeks, President Leopoldo Galtieri and other ranking military leaders have proclaimed their willingness to accept arms supplies from any country willing to supply them.

Soviet Aid Refused  
According to two high military sources directly involved in the planning of operations, however, the junta made a firm decision as the conflict with Britain worsened in April not to accept military aid from the Soviet Union. Even as Gen. Galtieri and other officials

(Continued on Page 2, Col. 1)

### Iraq Announces a Cease-Fire On Its Own in War With Iran

From Agency Dispatches

BEIRUT — Iraq announced Thursday what amounted to a unilateral cease-fire in its Gulf war with Iran but said later its armed forces had answered Iranian firing.

An Iraqi communiqué carried by the Iraqi News Agency said Iraqi military units did not fire or undertake any military operations Thursday. But the command said later that Iraqi troops were shelled by Iranian artillery and were forced to respond to silence the guns.

The command said its decision not to shoot first was in accordance with the spirit of a statement by the ruling Revolutionary Command Council early Thursday, saying Iraq was ready for an immediate cease-fire in the 21-month-old war.

The statement, which followed intensive efforts by Baghdad to negotiate an end to the long and costly war, also said Iraq was prepared to withdraw all its forces from Iranian territory within two weeks.

Iran, whose demands include war reparations and punishment of the "aggressors," rejected the truce and withdrawal offer, saying that it came too late.

Linked to Lebanon  
The Iranian press agency said that if Iraq had been sincere in seeking peace, it would have accepted Iranian demands before the invasion of Lebanon. The Baghdad statement, which linked the offer to the Israeli invasion, followed Iraqi military setbacks in

Khuzistan province in recent months.

Iranian forces won back the port of Khorramshahr after driving the Iraqis from much of the territory they occupied at the start of the war.

Iraq said that if present mediation efforts failed, Iraq would accept the verdict of a special session of the Islamic Conference Organization, the coaligned movement or the United Nations Security Council.

The Revolutionary Command Council said one reason it was making the cease-fire offer was "its belief in the urgent necessity of directing all energies and efforts toward confronting the ferocious Zionist aggression against the Arab world, the Palestinian people and Lebanon."

"Iraq is ready to put a quick end to all military action as soon as Iraq agrees to a cease-fire," the Iraqi announcement said. It said Iraq was prepared to observe a truce, withdraw from Iranian territory and accept arbitration to settle the differences between the two countries.

The Iranian press agency replied: "If the Ba'athist-Zionist Iraqi rulers were seeking peace, they could have achieved it before the outbreak of the new war in southern Lebanon by giving a positive response to provisions set by Iran."

The Iranian agency called the Israeli invasion of Lebanon "a vicious plot of the reactionaries in the region" to rescue President Saddam Hussein and his Ba'athist

government in Iraq, adding, "The invasion of Lebanon was designed only to revive Baghdad's tottering dictatorship."

Iranian leaders have been demanding a complete Iraqi withdrawal from Iran before any cease-fire. They have also demanded \$150 billion in reparations and the removal of Mr. Hussein.

In making its offer, Iraq said it was responding to an appeal from the Islamic Conference Organization to both sides in the Gulf war to direct their arms toward Israel, "the common enemy."

Iraq said it was ready to pull back to the international border in two weeks, but it did not define the border. One of issues that caused the war was whether the Shatt-al-Arab waterway at the head of the Gulf is totally Iraqi, as Iraq has insisted, or should be shared by the two countries, as Iran has maintained.

Shortly after the truce offer was announced, rumors began circulating that Mr. Hussein had been overthrown by the military. The Iraqi Embassy in Washington denied the rumors. Sources in Baghdad reported by telephone that life in the capital was normal and there was no evidence of any political change.

In Damascus, President Hafez al-Assad of Syria received an Iranian military delegation. Damascus radio said the delegation told Mr. Assad that Tehran had prepared units to help in the fight against Israel and had established a special budget for that purpose.

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### NATO Backs Reagan on Arms Control

By Joseph Fitchett

International Herald Tribune

BONN — NATO leaders Thursday backed the Reagan administration's arms control initiatives vis-à-vis the Soviet Union, winding up a summit conference at which the alliance also subscribed to a new, tougher version of East-West détente.

The summit meeting — NATO's first since 1978 — also put new emphasis on modernizing conventional weapons for NATO defense.

While the leaders met, hundreds of thousands of people gathered in a generally peaceful protest against the U.S. arms program and plans for new U.S. missiles in Europe.

The stress on arms talks reflected President Reagan's efforts to soften his image in Europe as a bellicose leader and to fashion an overall U.S. policy toward the Soviet Union.

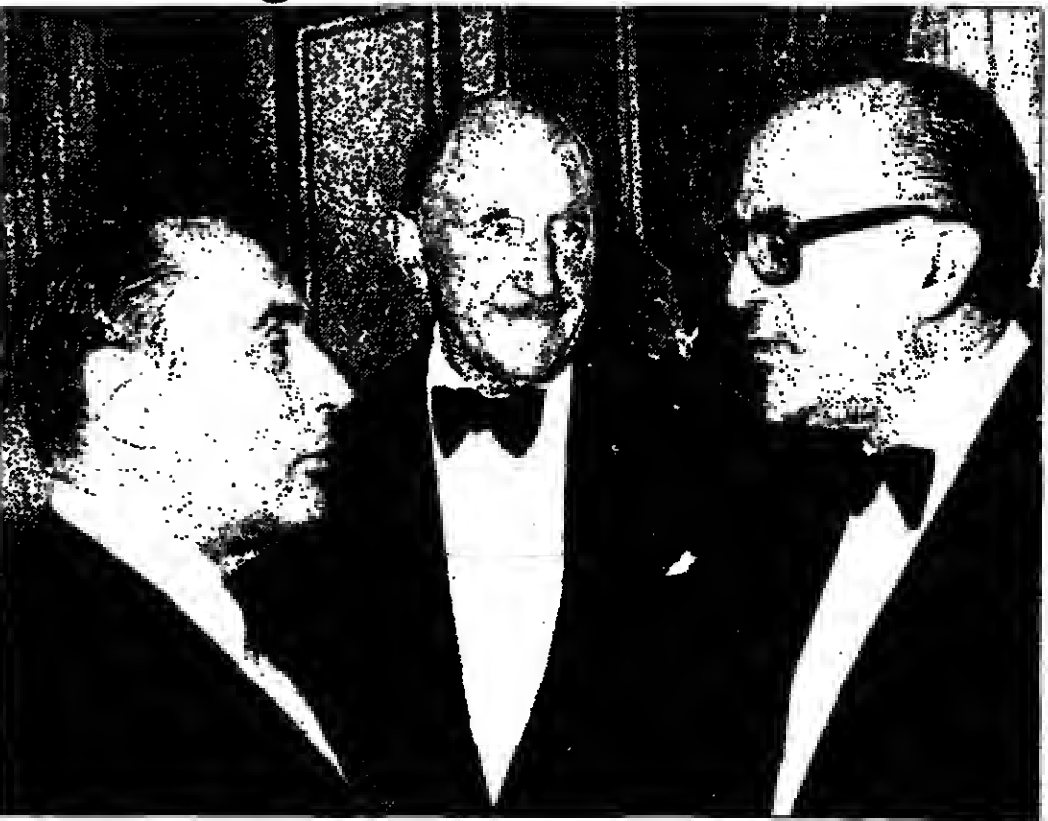
The U.S. disarmament proposals approved at the summit meeting, coupled with the greater reliance on deterrence by conventional forces, will help European leaders cope with political problems surrounding NATO's nuclear strategy, aides said.

Firm Tone  
The U.S. approach produced a degree of political consensus and a firm tone at NATO that, in the words of a senior U.S. official, "would have been impossible six months ago" because of transatlantic tensions. The leaders' six hours of discussion on Thursday were prepared by several months of intensive staff work.

Although the one-day meeting was overshadowed by Mr. Reagan's involvement in intense diplomatic activity about Lebanon, the summit revealed a new definition in the Reagan administration's handling of allies, several European officials said privately.

Chancellor Helmut Schmidt of West Germany, the host of the summit meeting, felt that his political image would be bolstered by the NATO results and by the more moderate tone in U.S. policy, aides said. A specific concession to Mr. Schmidt was a NATO acknowledgment that West Germany should continue improving its relations with East Germany.

The Reagan administration was gratified by European govern-



French President François Mitterrand, left, NATO Secretary-General Joseph Luns and Spanish Premier Leopoldo Calvo Sotelo talked at the dinner held on the eve of the summit in Bonn.

ments' agreement to adopt an overall Western position linking tougher anti-Soviet measures to recent Soviet behavior. "In contrast to the notion of détente in the 1970s, we now, while not abandoning dialogue, will be constantly vigilant about Soviet actions with emphasis on reciprocity," Secretary of State Alexander M. Haig Jr. said.

Summit Results  
Mr. Haig said that, while in recent years it was unthinkable for NATO to discuss problems outside Europe, the alliance had realized that crises outside Europe could affect NATO's security. In the future, he said, working groups will be established to follow Third World crises — a problem dramatized for the summit meeting by the fighting in Lebanon and in the Falklands.

The summit results publicly

signed to satisfy the West German insistence on maintaining the dialogue and the U.S. desire to qualify it.

● Agreement to new efforts to improve NATO's conventional military strength.

● The most extensive European agreement so far to possible temporary movement of U.S. forces outside NATO for missions in the Third World.

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bridged differences by avoiding searching philosophical debates. The Reagan administration wanted alliance insistence on Western rearmament to contain Soviet power. The West German government, on the other hand, wanted NATO to reaffirm détente and recognize a diversified Western approach to Soviet affairs.

In the end, NATO leaders found common ground based on more active arms control initiatives and a tougher European tone toward the Soviet Union.

France, although it does not participate militarily in NATO, espoused this political compromise, and Prime Minister Pierre Mauroy spelled out many essential points in his speech at the closed-door summit meeting. He supported, for example, the deployment of new U.S. nuclear missiles, but he

(Continued on Page 3, Col. 3)



# Pope to Find a New Argentine Church



The pope greeting the faithful during his general audience at the Vatican this week.

By Edward Schumacher

New York Times Service

BUENOS AIRES — When Pope John Paul II arrives here Friday, he will find a conservative and powerful Argentine Roman Catholic Church in the midst of change. Once allied with the military government, the Argentine church in the last year has distanced itself from the regime and called for a return to democracy. Churchmen and officials expect the pope's visit to underline that independence and bolster a newly emerging vitality.

They accused us of being complacent, Bishop Justo Omar Laguna of Morón, a leading church activist, said in an interview. "But we have always stood behind the principles of democracy and we are getting stronger."

[In Warsaw, Archbishop Jozef Glemp, the Polish Roman Catholic primate, told 50,000 pilgrims Thursday that all Poland expected Pope John Paul II to visit the country Aug. 26, fueling speculation that the pontiff will visit his homeland this year despite martial law.]

"Today, we feel the holy father's wish to come to his homeland in August is the wish of the entire population," Archbishop Glemp said, drawing applause from the pilgrims, marching through Warsaw on the feast of Corpus Christi.

[Archbishop Glemp's sermon came amid renewed talks between the church and the Communist authorities on an itinerary for a papal trip. Church leaders renewed their year-old invitation to the pope Tuesday.]

The Falkland Islands war with Britain, which is behind the pope's visit to Argentina — he made a pastoral visit to Britain last week — presents the church with a dilemma. While solidly behind Argentina's claim to the islands, the Argentine church has been involved in a dispute over the use of force to seize them.

The 80-member National Conference of Bishops, dominated by nationalist sentiments, said in a statement shortly after the islands were seized April 2. "The nation, guided by its authorities, has affirmed its rights."

In a letter three weeks ago to his fellow bishops, Bishop Jorge Novak, an outspoken liberal, criticized the stand of those church leaders who argued that while the seizure was forceful, it was not violent since no British were killed. "To my mind," Bishop Novak wrote, "this conditions the morality of the decision because of the very high evangelical, moral, cultural and economic costs — costs that are irreparable."

The letter was not published — it would be seen as heresy at a time when national unity over the Falklands has been publicly stressed — but the fact that it was sent at all and was backed by a small but active minority among the bishops reflects the growing boldness inside the church.

State Religion

Catholicism is the state religion of Argentina, written into the constitution, and in many ways the church reflects the country: It is a very formal, authoritarian institution, unlike the open, liberal churches in neighboring Chile and Brazil.

An estimated 93 percent of Argentina's 28 million people are nominally Catholic. But Argentines are not particularly religious, according to both Catholic and non-Catholic churchmen.

"Catholicism is part of the culture, rather than a religious presence or challenge," said Marshall T. Meyer, head of the Latin American Rabbinical Seminary.

Religion in the public schools has been taught off and on, depending on recurring anti-clerical cycles. The military, which professes to be deeply Catholic, introduced civic courses in the public schools three years ago that have a substantial measure of Catholicism. The courses were fully funded but books they found to be anti-Semitic removed from the courses.

Gifts to Church

Among the small core of regular churchgoers are the country's landed, and they have given large tracts of property to the church. One gift was the gilt-laden 19th-century mansion where the pope will be staying.

After a decline of three decades, the Argentine church has sought to reverse the trend with a stress on youth programs. Several hundred thousand young people marched the 40 miles (64 kilometers) from Buenos Aires to the national shrine at Luján in a two-day pilgrimage in September. Seminars around the country report increases in enrollment.

The revival is evangelical, based on more traditional interpretations of the scriptures than the "liberation theology" and leftist politics that radicalized young priests in the 1960s and early 1970s. Many of these sided with leftist Montonero guerrillas, and some were killed or disappeared after the military took power in a coup in 1976.

## Argentina Said to Get New Arms

(Continued from Page 1)

dropped hints of buying from Moscow, the decision against such purchases was privately communicated to the governments of friendly Western nations in mid-May, diplomatic sources said.

The two military officials and another ranking government source denied that Soviet advisers were at work on any military-related project or that any such arrangement was currently under consideration.

According to diplomatic sources, Argentina's most important new supplies have been the deliv-

ery of Skyhawks from Israel and two commercial plane loads of arms that have arrived from Libya. Military and diplomatic sources said that the country's most abundant new arms supplies have been spare parts for its planes and munitions, including missiles.

According to both Argentine and British accounts of the fighting, Argentina would now have used up its entire original supply of Exocet air-to-sea missiles in attacks that sank the destroyer Sheffield and knocked out the Atlantic Conveyor, a troop transport. More such missiles were reported by one

source to have been carried in a shipment of arms from Libya. The source added that the missiles, believed to number as many as six, were believed to have come from Iraq. Other sources said that Argentina could have obtained the Exocet instead from Peru, although some reports have said that Peru has only sea-to-sea Exocets that are not adaptable to Argentine equipment.

Argentine military sources said other less sophisticated missiles and spare parts have been provided by both Venezuela and Peru "as kind of a loan."

## Britain to Repatriate Argentine Naval Officer

Reuters

LONDON — A captured Argentine naval captain who has refused to answer questions about the deaths of French and Swedish nationals in Argentina is to be repatriated as soon as possible, the Foreign Office said here Thursday.

It gave no immediate details of when and how the officer, Capt. Alfredo Astiz, will be sent home.

Capt. Astiz, 39, commanded the Argentine garrison on the Falklands' dependency of South Georgia, which surrendered to British forces on April 25. He has been held in Britain since Saturday after being taken to Ascension Island shortly after his surrender.

The Foreign Office said questions drafted by France and Sweden were put to Capt. Astiz by police Tuesday, but he refused to an-

swer, as was his right under the Geneva convention on prisoners of war.

Swedish authorities wanted to know about the shooting of a Swedish woman in Buenos Aires in 1977 and France about the disappearances the same year of two French nuns.

The Foreign Office spokesman ruled out any link between the return of Capt. Astiz and the eventual release of three British newsmen held by Argentina on spying charges. "There is no question of swapping prisoners," the spokesman said.

The three newsmen, Simon Winchester of The Sunday Times and Ian Mather and Tony Prime of The Observer, were arrested early in April and have been refused bail.

## Talks Hampered At Talbot Plant By Nonstrikers

United Press International

POISSY, France — Efforts to negotiate an end to a weeklong strike at Peugeot's Talbot automobile factory outside Paris encountered further delay Thursday when non-strikers demonstrated, demanding the right to return to work.

The demonstrators condemned the Communist-led Confédération Générale du Travail and the Confédération Française Démocratique du Travail unions, whose members have kept the Peugeot factory here shut down for the past week by occupying its assembly line.

Talbot management postponed negotiations Thursday after the factory's internal Free Labor Union Confederation appealed to the factory's 17,000 employees to return to work despite "the terror imposed by the CGT and the CFDT."

A management spokesman said that "800 strikers are illegally denying others the freedom to work."

## U.K. Railroaders To Strike June 28

United Press International

LONDON — The National Union of Railwaysmen has announced an indefinite strike starting June 28 that would shut down the entire British rail network and stop all British ferries sailing to and from the Continent.

The union, the biggest of the three in British Rail, called the strike to protest a "desirous" 5-percent pay offer linked with the introduction of flexible work schedules.

A similar strike was ordered last year but was called off at the last moment when agreement was reached on a raise. A British Rail spokesman said Thursday the 5-percent offer would be withdrawn if the union struck.



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Leaflets dropped by Israeli jets showered down on Beirut Thursday. The leaflets said Israel intended to capture the city.

## 'Firm' Reagan Letter to Israel Asks Cease-Fire, Withdrawal

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U.S. arms to Israel. "We haven't set any deadline," he said.

Mr. Meese said there had been "restraint shown by Syria" since the Israeli invasion in the face of Israeli attacks on military emplacements in eastern Lebanon. "I think we are all seeking a cease-fire and withdrawal," he said. Mr. Meese said the president's special Middle East envoy, Philip C. Habib, had met twice in Damascus with President Hafez al-Assad of Syria.

Mr. Meese said delegates to the NATO summit discussed the Middle East "in an informal way" and agreed there was no specific action that NATO should take.

During his visit to Bonn, the Saudi foreign minister also met with the West German foreign minister, Hans-Dietrich Genscher. Afterward, the West German Foreign Office said Saudi Arabia had urged the session "to convey to the federal government the Saudi Arabian concern over developments in Lebanon."

The Foreign Office said Mr. Genscher noted Wednesday the declaration by the foreign ministers of the 10 European Economic Community nations calling for an immediate cease-fire and withdrawal of Israeli forces from Lebanon.

In Saudi Arabia, Crown Prince Fahd told the Saudi press agency, "We shall act with whatever power we have to contain the situation



and end this unjustifiable carnage by Israel."

The agency said Prince Fahd phoned Yasser Arafat, the Palestine Liberation Organization leader, on Wednesday to pledge Saudi military, political and material support.

The Emir of Kuwait, Sheikh Jaber al-Ahmad al-Sabah, phoned Mr. Assad, who vowed to stand by the Lebanese and the Palestinians, a government spokesman said in Kuwait.

In Cairo, President Hosni Mubarak sent an urgent message to Mr. Reagan on Thursday in a renewed bid for U.S. diplomatic intervention to halt the Israeli invasion.

## Israel Likely to Seek Power Shift in Lebanon

By David K. Shipler

New York Times Service

JERUSALEM — Israel's policymakers have not yet formulated their specific conditions for withdrawing the invasion force from Lebanon, but it appears likely that the demands will include some restructuring of the political and military alignments in that country.

At a minimum, Israeli officials say, they want some guarantee that once their troops leave, the Palestine Liberation Organization will not be able to move back within artillery and rocket range of Israel's border settlements. This might mean the expansion of a United Nations peacekeeping force or, preferably for Israel, a multinational force led by the United States.

Another possibility, officials say, would be to create a buffer zone under the control of the Christian-led militia of Maj. Saad Haddad, who has been receiving Israeli weapons and holds a strip of territory just inside Lebanon's southern frontier. Prime Minister Menachem Begin in effect set the stage for such a zone Tuesday by turning over to Maj. Haddad the Beaufort Castle, a 12th-century

Crusader fortress captured from the PLO Monday.

Maj. Haddad's forces are too weak to extend control to the 25 miles (40 kilometers) north of the border that Israel wants to keep free of hostile artillery. Therefore, the Haddad solution would require either semipermanent Israeli military outposts, which officials here say the Begin government does not want, or a link-up between the

## NEWS ANALYSIS

Haddad-led Christians in the south and the forces of the Christian Phalangists, who also have received Israeli weapons and military advice, in Lebanon's north.

Creating such a geographical link, however, would require cutting the main Syrian supply arteries between Damascus and Beirut, which would invite all-out Syrian intervention. But if it could be accomplished, it would have the advantage of strengthening the pro-Israeli Christians both militarily and politically.

Some Israeli policymakers are hoping ultimately to alter the political dynamics in Lebanon, weakening the Syrians and the various

## WORLD BRIEFS

### France May Pay Most of U.K. Rebate

BRUSSELS — France would pay the largest share of Britain's \$830-million 1982 budget rebate from the European Economic Community under proposals of the European Commission to be put to foreign ministers, EEC sources said Thursday.

A commission spokesman announced that it had decided on the contributions of member states to the rebate at a meeting Wednesday, but he declined to give further details.

The rebate was agreed May 25 after months of argument among the 10 states over British demands for its budget contribution to be substantially reduced. The sources said the commission had decided on special budget payments to West Germany, Italy, Ireland and Greece to reduce their share of the British rebate. This left France as easily the largest contributor, they said. The precise shares of each member state were not, however, available.

### Comecon States Differ on West Trade

BUDAPEST — The Communist trade group Comecon ended its annual conference on Thursday with calls for greater cooperation among member states, but with differences emerging over relations with the West.

Premier Gyorgy Lazar of Hungary declared the three-day meeting closed after delegates signed agreements on cooperation in microprocessor technology, industrial robots and computer components.

Premier Willi Stoph of East Germany assailed the West for imposing discriminatory measures, restrictions and boycotts on trade with Communist countries. He said that this would mean closer cooperation among Comecon's 10 member countries. Mr. Lazar spoke in favor of more cooperation to ward off the effects of world recession, but he also said that trade with the West had political benefits.

### Romania Denies Seizing Dissident

PARIS — The Romanian Embassy said on Thursday that Romanian authorities were in no way implicated in the disappearance of exiled writer Virgil Tanase.

In the first official reaction to Mr. Tanase's disappearance on May 20, the embassy said that the accusations were part of a campaign against the Bucharest regime and a provocation seeking to hurt French-Romanian relations. Mr. Tanase, 37, has been living in Paris since 1977.

French investigators had said that they did not rule out the possibility that Mr. Tanase, author of virulent attacks on the Romanian regime, had been abducted by the Romanian secret police.

### ETA Threatens to Continue Bombings

MADRID — Basque separatist guerrillas threatened on Thursday to continue bombings in northern Spain, concentrating on areas where some of the world soccer championships will begin next week.

A message given to the Basque newspaper Egin in San Sebastian said that the separatist organization ETA would again strike the banks Vizcaya and Santander because they had not paid "revolutionary taxes."

The Bank of Santander has its home office in the northern city of Santander, and the Bank of Vizcaya is headquartered in Bilbao, where England, France, Czechoslovakia and Kuwait will meet in the first phase of the soccer championships. Branches of both banks received minor damages on Sunday in bombings claimed by ETA.

### Reagan Aide Praises Kirkpatrick

WASHINGTON — Ambassador Jeane J. Kirkpatrick, the U.S. representative to the United Nations, is a "very valuable member" of the Reagan administration despite her public criticism of U.S. foreign policy, a top presidential aide said Thursday.

Edwin Meese 3d, the presidential counselor, said "I don't see any reason why" President Reagan should fire Mrs. Kirkpatrick, who has been the subject of controversy over a feud with Secretary of State Alexander M. Haig Jr. "Mrs. Kirkpatrick is a very valuable member of this administration," Mr. Meese added on a television program from Bonn.

Mrs. Kirkpatrick told a luncheon audience in New York Monday that the United States had "behaved like a bunch of amateurs" at the United Nations and been "virtually powerless" there for more than a decade.

### Habré Wants OAU Chad Force to Stay

NDJAMENA, Chad — The fighting is not over in Chad, and African peacekeeping forces still have a role to play in the war-ravaged country, the rebel leader Hissene Habré said Thursday, three days after his forces captured this capital city.

Mr. Habré, leader of the Armed Forces of the North, said there were still armed groups around and said he hoped the 2,800 peacekeeping troops from the Organization of African Unity would remain in the country for the time being.

"We think their presence is necessary and useful," he said. "We think their role here is not finished." The OAU force arrived in Chad in November when Libyan troops backing President Goukouni Oueddi pulled out. The mandate of the peacekeepers ends June 30.

Compiled From Agency Dispatches

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## U.S. House Approves Republican Budget Plan

United Press International

WASHINGTON — House Republicans and conservative Democrats, heeding an appeal by telephone from President Reagan in West Germany, joined forces Thursday to pass a budget for 1983 that cuts deeply into domestic spending.

Restoring the coalition that gave Mr. Reagan his victories in the Democratic-controlled House last year, Republicans and conservative Democrats voted 225-202 against a \$784-billion Democratic

budget and then passed a \$765-billion Republican alternative.

The authors of the successful plan said it would produce a \$99.2-billion deficit in 1983, but congressional budget experts placed the figure at \$110 billion.

It was the second attempt Thursday by the sharply divided House to pass a 1983 budget. Two weeks ago, eight budget proposals were shot down in a divisive marathon session and the House adjourned without approving any spending plan.

[Stock prices rose in New York because of the progress in the budget dispute. Page 7.]

### Call From Reagan

Earlier in the day, the House rejected a \$784-billion Democratic spending plan opposed by President Reagan. In the midst of his 10-day European trip, Mr. Reagan called the House Republican leader, Robert H. Michel of Illinois, and urged members to bury the Democratic budget plan and pass the Republican alternative.

"The president said he was in full support of our package and considered it vitally important that it be passed," Rep. Michel told reporters.

Republican leaders had warned

their colleagues that rejecting all budget plans could lead to economic chaos, choking off the economic recovery the administration forecast for the second half of this year.

The Republican and Democratic alternatives were similar to the previous partisan plans rejected by the House. The Democratic plan cut deeper into military spending and raised more taxes than the Republican version.

### Big Deficits

According to the authors, the Republican plan contains a 1983 deficit of \$99.2 billion; the Democratic plan, \$107 billion. The Congressional Budget Office estimated the deficits at \$110 billion for the Republican plan and \$114 billion for the Democratic plan.

The \$784-billion budget approved by the Senate has a \$116-billion deficit. It must be reconciled with the version passed by the House.

In an attempt to obtain the votes of conservative Democrats, Republican leaders rewrote their original plan to try to hold the deficit under \$100 billion, mostly by cutting \$8 billion from Medicare, Medicaid, food stamps and Aid to Families with Dependent Children.

To mollify some moderate Republicans from the industrial Midwest and Northeast, the Republican leaders also added some money back to transportation and other urban-related programs.

### Funds for Medicare

The Republican plan would cut about \$9 billion from Mr. Reagan's request for military spending in 1983 and raise about \$20 billion in new tax revenue, an amount small enough that it would not jeopardize the Reagan-supported tax cuts.

The Democratic plan sought to cut \$12 billion from Mr. Reagan's military request and raise \$11.7 billion in new tax revenue.

Democratic leaders rewrote their original plan to avoid reducing funds for Medicaid, which they previously sought to cut by about \$2 billion, and to include money for extended unemployment benefits and other social programs.

The \$765-billion Republican plan was the last viable budget available to the Democratic-dominated House. Rejection of both alternatives would have led to a vote on Mr. Reagan's \$780-billion budget proposal and an almost certain defeat because of its \$120-billion deficit.



## Japan Calls Its Buildup Of Weapons a Prelude To Global Arms Cuts

By Philip M. Boffey  
New York Times Service

UNITED NATIONS, N.Y. — The Japanese government has said it is building up its military forces as a prelude to eventually reducing the level of armaments in the world.

The explanation of Japan's rising military budget was offered Wednesday by Taro Watanabe, a spokesman for the Japanese Ministry of Foreign Affairs, at a news conference elaborating on a speech by Prime Minister Zenko Suzuki at the General Assembly's special session on disarmament.

In his speech, Mr. Suzuki said that Japan's military buildup has been trapped in a vicious circle, seeking their security by building up their armaments, thus further intensifying the arms race. "Because 'international peace and security are maintained by the balance of power,' we must start by lowering even little by little, the level of the balance of power as we move toward disarmament."

Mr. Watanabe acknowledged questioning at the news conference that Japan is actually increasing its military budget to \$11.3 billion in the current fiscal year, a 4-percent increase in real terms from the previous year. He said the increase was needed in the short term to restore the balance of power and strengthen deterrence against war. Once a balance is achieved, he said, the lowering process outlined by Mr. Suzuki can begin. At the moment, he said, "the atmosphere is not right" for arms reductions.

Mr. Watanabe denied suggestions that Japan was pressured by the Reagan administration. He said the Japanese had decided of their own to upgrade their military forces to protect their home territory and waters. He stressed that the buildup would not be "unbalanced," that Japan "would never acquire a nuclear weapon" and that Tokyo would continue its policy of generally refraining from exporting conventional arms.

The Japanese philosophy appeared consistent with the Reagan administration's view that arms reductions are best achieved by first building up military forces and then negotiating cuts, although the Japanese are not advocating a buildup of nuclear forces.

### Third World Position

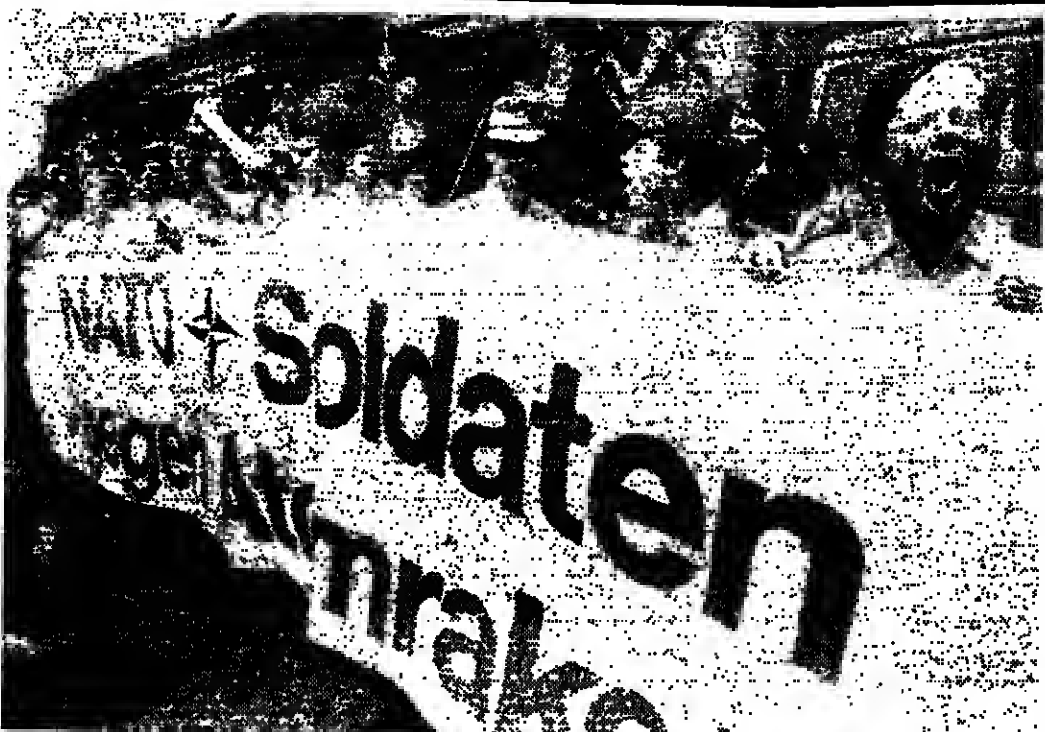
A contrary philosophy has been expressed at the UN by scores of developing nations that advocate an immediate halt to the arms race. A communiqué to the General Assembly from the foreign ministers of the self-proclaimed non-aligned countries that met recently in Cuba asserted that "negotiations on arms limitation and disarmament should no longer be made contingent on further arms buildup but must be resumed without delay."

Jorge Castañeda, the foreign minister of Mexico, a member of the nonaligned group, said at the special session Wednesday, "We find totally unacceptable the view that it is necessary to arm oneself in order to be in a position to then negotiate disarmament measures."

Mr. Castañeda said the existence of 34,000 nuclear warheads had made "the very extinction of the human species not remote but thinkable." He called on the two superpowers to renounce the first use of nuclear weapons and declare unilateral moratoriums on the testing of nuclear weapons.

In the most startling proposal yet made at the session, Wilfried Pahl, the foreign minister of Austria, suggested that a "Star Wars" type of "electronic fortress" to protect nations against attack is under development.

Later, at a luncheon for reporters, he said companies in Austria, the United States and elsewhere were working on such a system, which he said would use electronic force fields to block or disable incoming missiles or planes. He also said that such a system had already been deployed on an experimental basis in a country in the Middle East. He declined to provide further details.



West German soldiers held a banner declaring "NATO soldiers against nuclear missiles" at a rally against the U.S. arms program on Thursday in Bonn, where NATO leaders were meeting.

## Large Bonn Rally Protests U.S. Arms Plans

The Associated Press

BONN — Thousands of young people, many wearing "Reagan go home" stickers, streamed into Bonn on Thursday to protest the U.S. arms program and plans to deploy new U.S. missiles in Europe.

Organizers of the rally, who had expected at most 150,000 people, said that the crowd clustered along the east bank of the Rhine River numbered 350,000. Police declined to make an estimate, but agreed that the crowd far exceeded organizers' hopes.

Although the rally was generally peaceful, with people dancing and sunbathing, a 36-year-old man,

not identified by police, doused himself with gasoline, set himself on fire and slit his own throat. He was reported in grave condition at a hospital in Bonn.

Witnesses also reported that several hundred marchers had tried to leave the line of the march and head down the west bank of the Rhine toward the Chancellery, where President Reagan and 15 other NATO leaders of government were meeting.

The protesters, some of them defying a police ban against masks and disguises, turned back when confronted by police.

## NATO Backs Reagan Arms Moves

(Continued from Page 1)

also praised the accompanying arms control proposal. Stressing European reliance on the United States, Mr. Maury was quoted as saying that the great majority of Europeans want to keep U.S. nuclear guarantees and U.S. troops in Europe.

The NATO summit meeting, welcoming Spain as the 16th alliance member, contrasted the Span-

ish choice in joining the Western alliance with the Warsaw Pact system of imposed membership.

While calling for "mutually advantageous cooperation," NATO leaders also formally agreed to restrict sensitive technology and to treat export credits prudently in dealing with the Soviet Union.

Similar undertakings were accepted by leading Western industrial nations at the Versailles economic summit meeting last week.

On arms control, NATO specifically endorsed recent U.S. proposals to the Soviet Union for verifiable weapons cuts: the "zero option" to eliminate all intermediate-range nuclear missiles; reductions in highly accurate land-based strategic missiles; and lower ceilings on ground forces in Europe. According to a U.S. official, this was gratifying support for the Reagan administration against critics who argued that the U.S. proposals were unrealistic or cynical maneuvers designed to create the illusion of U.S. interest in disarmament.

The most significant new military doctrine that emerged at the summit meeting was the idea that NATO can improve its conventional defenses, thus decreasing its need to resort quickly in wartime to nuclear retaliation. NATO leaders said that they would combine their countries' military assets better and explore new weapons technology. Both these goals — better cooperation and better weapons —

have proved elusive in the past because of national rivalries in weapons production where the United States dominates sophisticated armaments.

But officials said that the goal seemed more attainable now. The basic NATO thinking, several said, is that new U.S.-made weapons could disrupt Soviet second-strike forces before they could reinforce an initial assault. Nonnuclear Cruise missiles and precision-guided, long-range artillery are examples of this new weaponry nearing the deployment stage. At the same time, European armies that have strong ready reserves because of their draft systems could be reorganized to encircle any Soviet units that manage to break through.

This concept appeals to many European leaders, who are anxious to play down the role of nuclear weapons. A growing number of U.S. strategists, both in the Pentagon and in Congress, also want to see European planners upgrade their armies' defensive capabilities.

## Communist Chief In Spain Resigns Following Dispute

The Associated Press

MADRID — Santiago Carrillo has resigned as secretary-general of Spain's Communist Party following a disagreement with the head of the Communist trade union organization. Mr. Carrillo said he would not seek re-election to parliament in general elections set for next year.

The longtime party leader, who announced his resignation Wednesday night, insisted he would stand by his decision to quit, as the 99-member Central Committee began two days of closed-door sessions in Madrid to vote on whether to accept his resignation.

The party's deputy secretary-general, Blas Leizaola, and the other members of the party Executive Committee also resigned. But a member of the Central Committee said he expected Mr. Carrillo eventually to be reconfirmed as head of the party and to emerge in a stronger position.

Mr. Carrillo, 67, quit in disagreement with Marcelino Camacho, head of the Communist trade union organization. Mr. Camacho accused Mr. Carrillo of having failed to reach the grass-roots membership after the secretary-general defended the party's poor showing in recent local elections.

## Voice of Conservative U.S. Prelate Broadens Anti-Nuclear Spectrum

By William Robbins  
New York Times Service

PHILADELPHIA — He seems to symbolize broad support for the nuclear disarmament movement: Cardinal John Krol, a prince of the Roman Catholic Church and associate of the archbishop of Philadelphia long regarded as a conservative and anticatholic prelate.

Cardinal Krol, tall and erect with an athletic physique that belies his white hair and his 71 years, was an imposing presence this spring when he spoke at Philadelphia's "Interfaith witness to stop the nuclear arms race." Addressing 15,000, he called on world governments to dismantle existing nuclear weapons.

Some leaders of the anti-nuclear movement here described the cardinal's role as evidence of a momentum that they hope will bring together conservatives and liberals, Roman Catholics, Protestants and Jews.

But to Cardinal Krol, sitting in a large but austere 12th-floor office with a broad view of central Philadelphia, it did not seem momentous.

Cardinally, with many pauses, he expounded his disarmament views. He finds himself involved in a movement that also engages such persons as Raymond G. Honneger, archbishop of Seattle, who has said he will withhold half his income tax as a protest against production of nuclear arms.

Cardinal Krol said his views were accurately reflected in his address at the rally, which contained this call for a guarded approach in



Cardinal John Krol

dealing with the Soviet Union: "We advocate disarmament — not unilateral, but reciprocal or collective disarmament, proceeding at an equal pace, according to agreement and backed up by authentic and workable safeguards."

He said he deliberately has made no attempt to maintain relations with other advocates of disarmament, although he expressed pleasure with the variety of supporters. "I agree with some of them, and many of them I do not agree with," he said.

His own views, he said, have not changed since 1969, when he addressed the Veterans of Foreign Wars and urged support for disarmament. He cited testimony in favor of the second treaty on limiting strategic arms that he gave in behalf of the National Conference

of Catholic Bishops at a Senate hearing in 1979. "I talk about nuclear disarmament," he said, "but you see the principle is that massive destruction, whether by nuclear or conventional arms, is a crime against God and man. In some of the bombing of the cities in the last war, large elements of the population were destroyed. That exceeds the legitimate right of self-defense, and I am for self-defense."

Though the cardinal sees his present position as consistent with the past, others contrast his participation at the March 27 rally with his silence on the war in Vietnam.

One who disagrees with descriptions of the cardinal as distant and authoritarian is Monsignor John Foley, a close associate who is editor of the archdiocesan newspaper. He finds the cardinal warm and approachable, a leader who does "a lot of quiet good things."

Monsignor Foley is familiar with the cardinal's informal respites, when he likes to play the piano and harmonize with a good baritone voice on Polish, American and Irish songs. Cardinal Krol also plays a top game of golf.

Occasional Cigar At the church-owned mansion where he lives with two other priests, the cardinal, it is said, likes an occasional cigar and a drink of good bourbon.

His reputation as a church conservative rests largely on what Monsignor Salvatore Adamo, former editor of The Catholic Star Herald in Camden, N.J., and others describe as a reluctance to share power and his refusal to allow Catholics in his archdiocese to satisfy Sunday obligations by attending Mass on Saturday night.

Even among critics, who acknowledge that their number is relatively small, the cardinal gets high marks for a well-mannered archdiocese and well-run school system. "He expects obedience and compliance," said Monsignor Adamo. "He may consult, but he is not bound by the consultation, but nothing in the church structure requires that."

The cardinal offers no argument to the description of him as a conservative. "I view myself as doctrinally absolutely conservative," he said.

## CIA Reveals Reporters' Role

By Judith Miller  
New York Times Service

WASHINGTON — Six years after the CIA restricted the use of journalists as intelligence agents, it has reluctantly disclosed that journalists were used before the restriction in a variety of roles, ranging from couriers to case officers who secretly supervised other agents.

In a sworn statement submitted by the CIA to settle a lawsuit under the Freedom of Information Act, the agency also indicated that William J. Casey, the director, has quietly committed himself to following the policy established by his predecessor on the use of reporters as agents.

The policy bars the paid use of journalists for secret intelligence operations except in extraordinary circumstances such as "an emergency involving human lives or national interests."

The new document does not

specify the journalists used by the agency or their employers. But it does describe their missions, as follows:

"Some, perhaps a plurality, were simply sources of foreign intelligence; others provided cover or served as a funding mechanism; some provided nonattributable material for use by the CIA, collaborated in or worked on CIA-produced materials or were used for the placement of CIA-prepared material in the foreign media; others assisted in non-media activities by spotting, assessing or recruiting potential sources or by handling other agents, and still others assisted by providing access to individuals of intelligence interest or by generating local support for U.S. policies and activities."

"Finally, with respect to some of these individuals, the CIA simply provided informational assistance or requested assistance in suppressing a media item such as a news story."

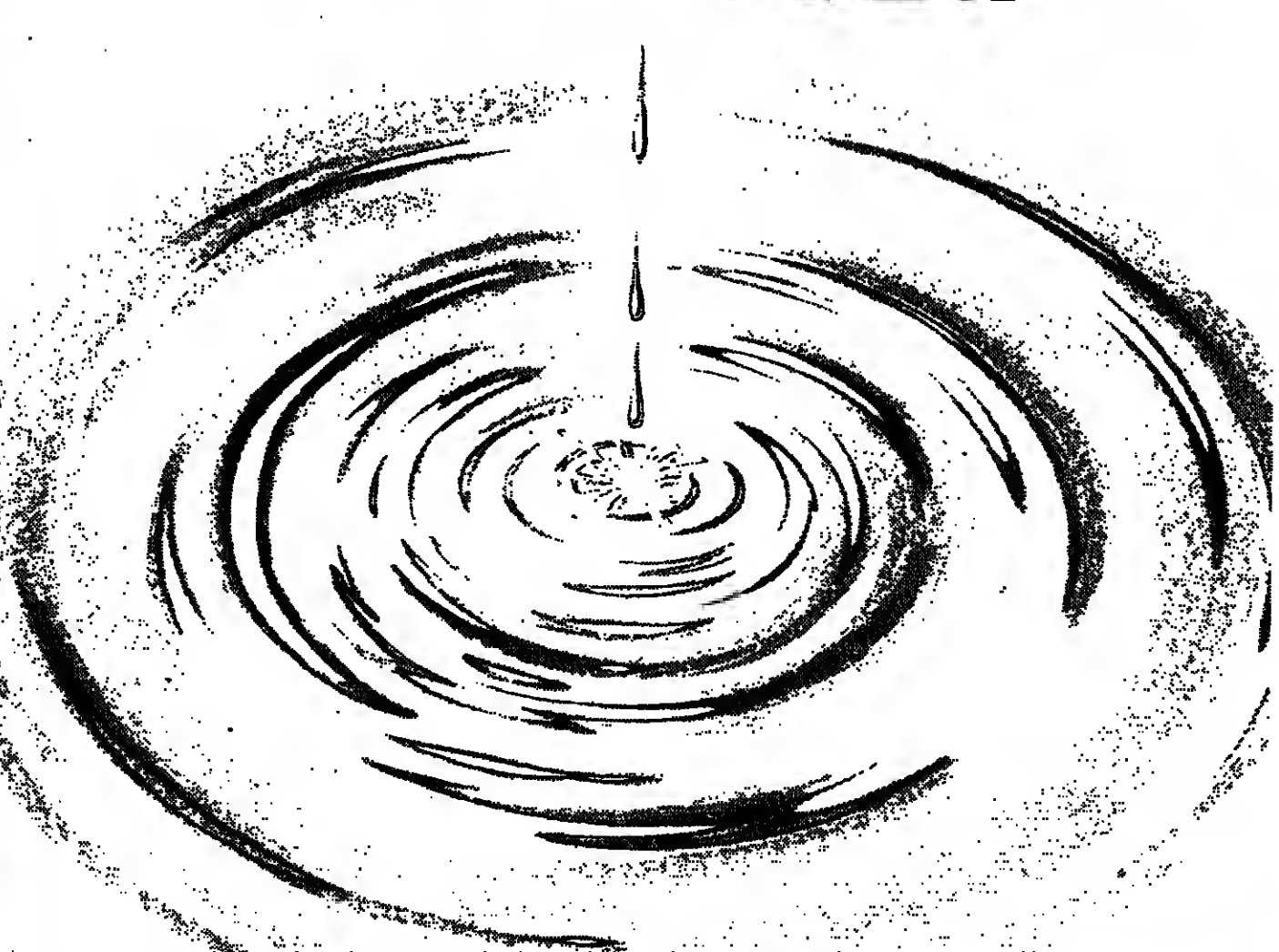
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# Herald Tribune

Published With The New York Times and The Washington Post

## Reagan and Flower Power

Truly, as President Reagan said so well in the British Parliament Tuesday, Americans want only one kind of global conflict. A "crusade" for the open society, he called it, employing the only tolerable weapons: the powerful ideas and economies of democracy. His crusade would aim not to destroy other societies but to help them recognize the inhumanity and inefficiency of totalitarianism. What a tonic the president's faith and optimism could become for the pugnacity so often heard from his administration.

Democracy, he said, has proved itself "a not at all fragile flower," whereas "regimes planted by bayonets do not take root." Given a choice, people choose freedom.

Given even decades and military might, Soviet totalitarianism still cannot feed itself. Time works for freedom; the democracies can help it along. But because nuclear war is unthinkable, "we ask only for a process, a direction, a basic code of decency — not for instant transformation."

The president went on to propose more aid to democrats worldwide and American-Soviet television debates on current issues.

But these ideas do not begin to tap the logic of his thesis: that by their day-to-day conduct, the democracies can slowly, unaggressively influence politics elsewhere, notably in the Soviet Union.

To what end? Mr. Reagan would "foster the infrastructure of democracy — the system of a free press, unions, political parties, universities — which allow a people to choose their own way." His long-term hope is to leave "Marxism-Leninism on the ash heap of history." But characteristically, he failed to point the way from here to there or give

Moscow a plausible range of policy choices. Soviet society has always endured great hardship to resist and arm against danger. If it responds at all, it will not be to alien appeals for democratic capitalism. But it may well respond to practical, profitable invitations to moderate the nuclear arms race and Third World confrontations, to relax the grip on Eastern Europe and to reform failed Soviet institutions.

Yes, there is power in the democratic flower — and flour. Yet absent from the president's summons was any awareness that the most encouraging buds of Soviet-bloc ferment have appeared in periods of East-West thaw. And curiously missing from his plan was any formula for using Western economic strength to promote political accommodation. How laughable that just as he was celebrating Communist failures, bankrupt Poland was "threatening" a \$29-billion default unless Western banks lend it still more.

Poland's bankruptcy is, in fact, a unique chance to exchange new aid "only for a process, a direction, a basic code of decency." Mr. Reagan has the muscle to drive the West's frightened bankers from the table and to press the Soviet leaders to define an environment in which he would resume underwriting their system's development.

The president's confidence in competition is admirable, but when will the crusade take form? When will the West's subsidy of Soviet power be made the main issue of East-West diplomacy? When will Mr. Reagan write a superpower code of conduct that he could observe and reinforce with trade? Flower power can work, but where is his spade?

THE NEW YORK TIMES.

## Hunger Strike in Moscow

The great cruelties of contemporary international life, like the terror practiced by the Soviet Army against the people of Afghanistan and the assaults on the Lebanese population by its numerous tormentors, are scarcely overpublicized. Yet they often tend to crowd out consciousness of the small cruelties that are characteristic in so many corners of the world. The victims of these often turn to extreme methods of self-dramatization, despairing of reaching international opinion by any other means.

In Moscow, three Soviet citizens have been on a hunger strike for a month in order to bring foreign pressure to bear on the Soviet government to let them join their spouses abroad. They are Yuri Balovnikov, whose

wife is an American nurse living in Baltimore; Josef Kibitsky, whose wife is West German; and Tatyana Lozansky, whose husband, Edward, is a professor of physics at American University who emigrated from the Soviet Union in 1976.

By making the personal choices that led to their separation from their spouses, they knowingly took a great risk. But that is precisely the point: In no country worthy of being called civilized would these private choices have entailed that range of dangers.

Under the Helsinki Accords, which Moscow signed, exit visas should have been granted routinely. How can the Kremlin conceivably not let them go?

THE WASHINGTON POST.

## Send a Professional

In her outspoken way, Jeane Kirkpatrick has put it exactly right. Americans do behave like "a bunch of amateurs" at the United Nations, where she is chief U.S. delegate. And not just this last time, when Secretary Haig, apparently out of pique, failed to inform Mrs. Kirkpatrick in time that she was supposed to abstain on a Falkland resolution.

It could be set to music and choreographed. "Did you really try to call, Mr. Haig?" asks a plaintive Mrs. Kirkpatrick, twirling a parasol. "Absolutely, Mrs. K," responds a dapper Mr. Haig, with a wink. A chorus in striped pants then bursts into the refrain: "It's confusing, it's amusing, it's abusing, and there's a corps in between."

This isn't diplomacy, it's tomfoolery — or worse, for it is not unusual. Other UN delegates somehow manage to cast the votes they are supposed to. Why is it only the United States that is so prone to pratfalls?

The answer, which transcends the Haig-Kirkpatrick follies, is that only America considers the UN job a political plum. Of 16 U.S. representatives to the UN, only one appointee was a Foreign Service officer: Charles Yost, who served under President Nixon. (Donald McHenry, by background a career diplomat, was a political appointee when he was named in 1979.)

In 1953, Dwight Eisenhower had the unhappy idea of awarding Cabinet rank to Henry Cabot Lodge, the custom has stuck.

Again and again presidents have used the office as patronage. Hence the big parade: Cabot Lodge, Adlai Stevenson, Daniel Patrick Moynihan, Andrew Young and Jeane Kirkpatrick, not to mention Arthur Goldberg, to whom Lyndon Johnson made the job sound worth leaving the Supreme Court for.

Is it any surprise that the U.S. Mission sees itself as a rival State Department?

In fact, although Secretary Haig expresses himself with all the finesse of a main battle tank, his point is sound. Treating UN delegates with such reverence is a mischievous pretense. They cannot be the hierarchical equals of secretaries of state. The latter must command the former, as Mrs. Kirkpatrick has just been reminded.

Why should this one ambassadorship be accorded an exalted Cabinet rank? Because, the argument goes, it is a unique job; its holder speaks not just to another nation but to the world. If that is so, then why don't other countries treat their United Nations representatives the same way?

Upon assuming power, the Reagan team seemed intent on downgrading U.S. relations with the UN. But by sending there a strong-minded academic with no diplomatic experience, the president was bound to magnify the job. Let his successors be forewarned. There is one sure way to "normalize" relations with the United Nations: send a professional.

THE NEW YORK TIMES.

## Other Editorial Opinion

### The Fighting in Lebanon

The Israeli tank assaults, naval and air actions in Lebanon make their invasion hardly less than a war, yet the name of the operation, the Begin government says, is "Peace for Galilee." A Cabinet communiqué says that it aims at placing "all the civilian population of the Galilee beyond the range of terrorists" (i.e., PLO) fire from Lebanon, but without engaging the Syrian army, unless the Syrians attack first. It is, therefore, no over-the-border raid to disable PLO camps but appears to be a deep, full-scale, once-and-for-all push to get rid of the Yasser Arafat threat.

That the Israelis are giving vent to a long pent-up response to PLO provocations, like the shelling that has lately taken place, is beyond doubt. ... Ambassador Philip Habib went back to the Middle East under instructions that President Reagan and Secretary of State Haig had given him in Paris. He is no doubt expected to bring off another miracle. But it is going to be difficult, we suspect.

Beyond today, even beyond tomorrow, the question looms forebodingly, where will this war end? Already it looks as though the Camp David peace process will be only one of the first victims.

— From the San Francisco Chronicle.

## June 11: From Our Pages of 75 and 50 Years Ago

### 1907: French Wine Crisis

PARIS — The French government has tackled the burning question of the day, the crisis in the wine-growing districts in the south of France. The Cabinet brought in a bill for the suppression of fraud in the matter of wine. The terms of the measure are drastic enough, and if it is eventually approved and enforced the lot of the fabricator of artificial wine does not promise to be a happy one. It remains to be seen, however, whether the winegrowers of the south will be satisfied with the provisions of this bill. Some of the speeches of the deputies representing the region showed little enthusiasm for the measure. Only after the people of the south have had time to examine it will this point be settled.

### 1932: A Poisonous Toast

BISKRA — Alone in the Sahara, Lena Bernstein, record-making French airwoman, drained a poison-laden champagne toast to end her life. Miss Bernstein, who had come to Algeria in the hope of regaining the women's straight-line flight record which she had held until Amelia Earhart flew across the Atlantic, carried two bottles of champagne with her when she engaged a horse-drawn carriage to convey her to the recreation near the city's outskirts. She dismissed the driver with a 20-franc tip, saying that she would walk back. Her act was ascribed to the seizure of her plane for alleged infraction of safety regulations, a climax to a series of misfortunes, including financial difficulties.

BONN — Three full-scale wars are raging now in the Falklands, Lebanon and Iran, and Chad has just completed another phase in its generation-long civil war. None were caused by the United States or the Soviet Union, though both must be keenly interested in the outcomes.

That is the immediate background to the Atlantic alliance summit meeting here. In addition, there are lots of other wars around the world, some half-forgotten. A partial list is a reminder of how much fighting is still going on, and how many places directly or indirectly involve the superpowers: Afghanistan, Cambodia, Eritrea, Ethiopia, Somalia, Guatemala, Namibia, along with Salvador.

The one continent with no current battlefields is Europe, at uneasy peace after provoking millenniums of wars, culminating in the two world wars. Pacifists have not done well in human history.

Yet war seems different, more frightening now, and there is a far broader sense of waste and absurdity. Atomic weapons make the big difference, but not the only one. The level of arms generally has reached a totally new scale of destructiveness, and it isn't only big powers that possess sophisticated types. Also, modern communications force awareness of what happens far away and therefore of potential danger nearer home.

## Italy Faces Key Test in Wage Fight

By Enrico Jacchia

ROME — President Reagan's visit to Italy has coincided with the taking of a new, defiant attitude by the Italian industrialists against the unions.

The new posture may be the beginning of a frontal clash between the employers and organized workers on one of the fundamental issues of our time: Will the open-market economy and free enterprise be replaced by a state-run economy and collectivism. The fact that the employer took a militant stand at the time of the president's visit to Europe may not be a casual coincidence.

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The industrial leaders argue that labor costs, augmenting at a rate higher than labor productivity, will push Italian producers out of the international market. This would, in turn, mean the end of free enterprise in Italy, with the public sector taking hold of the economy, they say. The industrialists' association vows to fight against that risk and against inflation and for real economic growth and more employment.

This posture recalls U.S. Treasury Secretary Donald T. Regan's renewed claim that free enterprise and an open-market philosophy are the essence of the American ideal. It also recalls President Reagan's reaffirmation at Versailles of the economic policy of his administration and on the need to hold down inflation.

The real fact is that the acceptability of the private sector and free-market economy is challenged in Italy by very powerful political forces. Among them are the Communists who, in turn, control the majority in the larger trade unions.

During the last two decades, free enterprise has been eroded both by the large increase of the public sector and by the expanded power of the unions. Jobs are scarce. The employers claim that if they cannot fire excess workers when production costs overrun profits, they will be run out of business and unemployment will be the final result anyway.

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Party leaders do not misjudge the magnitude of the challenge posed by the new attitude of the employers. They know that the peace marches serve to assert the party's image and may gain a number of votes among the youths. But they also know that the fight for the control of the economy is the decisive one: If they win, they would conquer the state.

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# 'Poles Are Lazy, Aggressive' — Familiar Old Stereotypes Persist in Russia

By John Damton

New York Times Service

MOSCOW — A visitor from Warsaw finds that the Soviet Union remains concerned about the continuing resistance in Poland to the communist line, but is still squarely backing Gen. Wojciech Jaruzelski, the Polish leader, in his efforts to enforce Communist rule.

The visitor is also struck by the persistence of anti-Polish attitudes among ordinary Russians, some of whom are shaped by stereotypes that have been passed on for generations.

According to Western diplomats, Soviet concern about the situation was signaled last month at a Polish demonstration and by a Soviet press campaign accusing the

United States of fomenting subversion in Poland.

The Polish issue also figured in recent talks between Leonid I. Brezhnev, the Soviet leader, and Gustav Husak, the Czechoslovak leader, who was a fervent advocate of action to crush the Solidarity union and Polish liberalization.

During the talks, the two pledged their support for the Polish leadership's attempts to re-establish the party's authority and for "the battle to bring the country out of its crisis."

Some Western diplomats saw more criticism than congratulations in this since the Polish party has been almost totally eclipsed by the military and shows no sign of revitalizing itself.

Poles have reported a divergence of views between Warsaw and Moscow, suggesting that the Russians would like to see even more forceful measures in dealing with the Polish regime's opponents and a quicker return to the orthodox Leninist mold of civilian rule through the party apparatus.

A Polish source quoted Mikhail A. Suslov, the late Soviet ideologist, as having told Jozef Ceyrek, the Polish foreign minister, earlier this year that it was not viable for "the bayonet to be leading the party and the party not to be leading the bayonet."

The Polish sources are likely to emphasize differences with the Soviet Union in speaking with West-

ern reporters since this gives room to the argument that sanctions imposed by the United States could have the deleterious effect of pushing the Polish authorities to adopt the sterner measures being urged upon them by the Soviet Union.

## National Character

The attitudes of everyday Soviet citizens toward Poles, a blend of suspicion and resentment, appear to have hardened through the two-year-old Polish crisis. Soviet newspapers, evidently aware that most Russians believe the Poles have a higher standard of living, do not publish figures on Soviet aid to Poland.

"We have no fish to eat here and

we hear that we are exporting it to Poland," said a Russian journalist. "How do you think that makes people feel? No, we don't have much sympathy for the Poles. They already have so much and we have so little, and now they want us to pay for them, to subsidize them."

"Every nation has a national character and sometimes it is stereotyped. The Germans are efficient, the Hungarians are clever. As far as we are concerned, the Poles have two traits — they are lazy and they are aggressive small businessmen. They are always out there smuggling things, buying gold, trading goods. They are always coming into other countries

and taking things out. They don't work hard and they complain a lot."

"My daughter-in-law visited Warsaw years ago," a Soviet dissident historian said. "She came back and said it is true, the Poles are better off. There is more in the stores, they are better dressed, the cultural life is freer. The general perception of the man in the provinces is that the Poles have a lot more, that they got themselves into this fix and that they are not pulling their share."

"Understand," said another Russian, "for a Russian to go to Poland is to cross the border to the West. Their world is so different. The Poles want to buy their

cosmetics in Paris — for us it is a big thing to buy them in Warsaw. Polish cosmetics are very prestigious here."

"Poles are cosmopolitan. They look different. They are even ashamed to be Slavs. They have eyes only for the West. O.K., so they don't like the system. A lot of ethnic groups in Soviet Union don't like it either. But they work."

Mixed with the resentment of the Soviet ant for the Polish grasshopper is the perception that Poles regard Russians as Asians and culturally inferior.

"I was in Poland a dozen times and I was continually struck by the Poles' lack of knowledge about the Soviet Union," said a young Rus-

sian writer. "One night I went to an evening of Soviet poetry in Warsaw the Poles dressed up like Russians, as if it were some exotic thing out of Africa. You could almost hear the drums beating."

One problem with the reflex response of Russians — that the Poles are better off — is that to some extent it is outdated. A visitor to both capitals would be hard put to these days to say in which of them life is harder. For the first time, there are now goods in Moscow's shops that are hard to come by in Warsaw, and Poles have to undergo hardships of rationing that do not hold for Moscow, which is admittedly a showplace of the Soviet Union.

## Rainer Fassbinder, 36, Dies; German Director

From Agency Dispatches

MUNICH — Rainer Werner Fassbinder, 36, a West German director whose films included "Lili Marleen," "The Marriage of Maria Braun," and "The Desire of Veronica Voss," was found dead early Thursday.

His body was found by Juliane Lorenz, 26, his film cutter and companion, at her home, Wolf Grehn, a director who also spent the night in Fassbinder's home, said he thought suicide was out of the question. But he said that Mr. Fassbinder had insomnia and perhaps took a few pills too many.

Empty whisky and pill bottles were found in the apartment in the Bohemian quarter of the city, a police spokesman said. There was no suspicion of foul play, but an autopsy is scheduled for Friday.

Mr. Fassbinder was one of West Germany's most talented and prolific directors, making more than 40 films in a career spanning 14 years.

His latest film to be released, "The Desire of Veronica Voss," a tale of a former Nazi film star who becomes addicted to morphine, won the Golden Bear at the Berlin Film Festival in March.

Like many other Fassbinder films, it was widely acclaimed for the technical perfection of its direction and photography.

Other recent films include "Lili Marleen," a fictionalized account of wartime singer Lale Andersen; the critically acclaimed "Marriage of Maria Braun," and a television serial entitled "Berlin Alexanderplatz." Still to be released is "Querelle," adapted from the work of Jean Genet and starring Jeanne Moreau.

Mr. Fassbinder shocked the West German public by openly acknowledging his homosexual relationships. Grief in manner, he frequented the late-night bars of Mu-

nich's Schwabing district, where he lived.

Although his public appearances often suggested a crude nature, Mr. Fassbinder's films were filled with sentiment somehow crushed by the weight of circumstance.

Mr. Fassbinder was born in Bavaria in 1946, the son of a physician and an interpreter who were divorced during his infancy. He claimed to have grown up without education and in a totally "unbourgeois" environment.

First Film at 22

He began his professional career as an acting student and director in small Munich theaters and made his first full-length feature film at the age of 22. After his initial film, he turned out one low-budget picture after another until he became an international success.

His second full-length film, "Der Katerlaube," in 1969, took as its theme the plight of foreign workers in West Germany. It won a television award and the West German film prize for writing, direction and production.

Mr. Fassbinder's fame began spreading beyond Germany in the early 1970s. His film "Fear Eats the Soul," the tale of a German woman who falls in love with a foreign worker despised by her bourgeois friends and neighbors, won the international critics' prize of the Film Writers' Association at the 1974 Cannes Film Festival.

His high rate of film production did not prevent Mr. Fassbinder from continuing to work in the theater. He produced Ibsen's "Hedda Gabler" in Berlin and was director of Frankfurt's Theater Am Turm in 1974-1975.

Gala Dali

PORT LLIGAT, Spain (UPI) — Elena Diakonoff, 89, better known



Gala Dali with her husband, the painter Salvador Dali.

as Gala, the wife and inspiration of surrealist painter Salvador Dali, died Tuesday of pneumonia. Mr. Dali, 78, retired chairman of the Xerox Corp. and a principal force behind the mass marketing of Xerox copiers, died of a heart attack last Thursday.

Wallace Neff

PASADENA, Calif. (AP) — Wallace Neff, 87, an architect who helped develop southern California's early architectural style with such buildings as Pickfair, the Mary Pickford and Douglas Fair-

## ERA Suffers Major Setback in Illinois

From Agency Dispatches

CHICAGO — Efforts to ratify the Equal Rights Amendment have suffered a critical setback in Illinois, a state that ERA proponents consider crucial in the ratification process that expires June 30.

In an action that may have killed the ERA in Illinois and perhaps nationally, ERA proponents failed Wednesday in a bid to lower the number of votes required for ratification of the amendment in the Illinois House from 107, three-fifths of the chamber, to 89, a simple majority.

The proponents said they will continue the fight in Springfield, the state capital, for the rest of the month, although their chances for success appear dim.

So far, 35 states have ratified the ERA, which would amend the U.S. Constitution to forbid discrimination on the basis of sex. Three more states must ratify the ERA before it can become the 27th amendment to the Constitution. Indiana was the last state to ratify it in 1977. Five states that had approved it have since rescinded their votes, although the legality of the actions is being challenged before the Supreme Court.

## Final Push

The National Organization for Women has targeted Florida, Oklahoma, North Carolina and Illinois for a final ratification push. Last week the North Carolina Senate voted 27-23 to kill the measure, and Wednesday's procedural vote in Illinois gave opponents of the amendment cause for celebration.

The requirement for a three-fifths majority vote in both the state House and Senate has been a major stumbling block in the long struggle for the ERA. Illinois — the only Northern industrial state not to ratify it — is one of a handful of states that require more than a simple majority for ratification of a constitutional amendment. Proponents of the ERA believe

they can muster 89 votes in the Illinois House for ratification, but they have always been two or more votes shy of the 107 needed under the three-fifths rule.

ERA backers tried to tack a proposal to lower the ratification vote requirement onto another House measure dealing with rules, but that amendment was declared out of germane by the speaker of the House, George Ryan, a Republican who opposes the ERA. His ruling left proponents in a bind, since 107 votes are required to overrule the speaker.

"Cleared Away the Smoke"

Rep. Ryan declared after the vote that the "ERA is dead, certainly in the Illinois House." He said he did not intend to call it up for a vote.

"It cleared away the smoke

around the question of who's stopping us from voting on majority rule," said State Rep. Susan Catania, a Chicago Republican and sponsor of the ERA ratification measure. Rep. Catania, who maintained that the rules vote "was not at all crucial," said she is seven votes shy of the needed 107 for ratification.

Hunger Strike

"As long as I count only 100, I have no choice but to ask for a rules change," she said.

Phyllis Schlafly, the leader of the anti-ERA forces, who was in the gallery for the vote, proclaimed the death of the 10-year effort to pass the amendment.

"They don't have the vote and what happened today shows that they don't. Why would it be called again? They have done what the

people of Illinois want, which is to defeat the ERA," she said.

Watching the vote were six of seven women in the 23d day of a fast for the ERA. Another hunger striker, Shirley Wallace, did not travel to the Capitol, saying she feared her fainting spells would make her look like "a fool."

Ms. Wallace and Sonia Johnson, 46, a Mormon excommunicated for her support of ERA, were treated at a hospital earlier this week for low blood pressure after they collapsed.

"I never saw such a bunch of little children in all the days of my life," Ms. Johnson said of some of the legislators after the vote. "It was appalling. They attacked people personally and called them names. I haven't seen anything like this since I was in seventh grade."

## Marketing of Formula for Infants Leads to New Criticism of Nestlé

By Philip J. Hiles

Washington Post Staff Writer

WASHINGTON — Unicef has criticized Nestlé officials over the "possibly harmful" way the company has chosen to interpret World Health Organization guidelines on the marketing of infant formula.

Nestlé products, which include chocolates and Stouffer's food, have been the target of a boycott by about 75 unions, church groups and health organizations.

The boycotters say aggressive marketing practices have persuaded mothers to switch from breast to bottle feeding, creating a danger to the health of the infant and a high cost to the family, the boycotters say.

Last year, the United Nations

approved a voluntary marketing code it intended for nations to adopt that would restrict the aggressive marketing of formula. The vote was 118-1, with the United States the lone dissenter.

Largest Producer

Nestlé is the world's largest manufacturer of infant formula and the only one that has said it will try to comply with the voluntary rules for marketing infant formula. But the company has done so by issuing its own interpretation of the code, which critics have attacked.

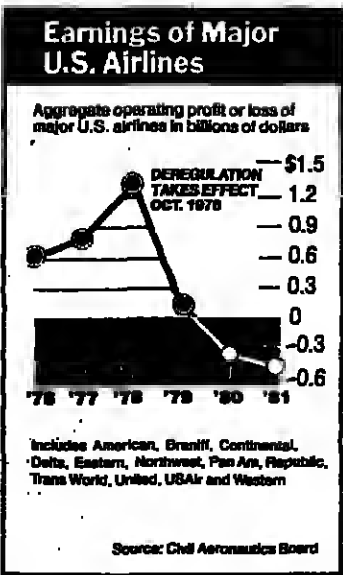
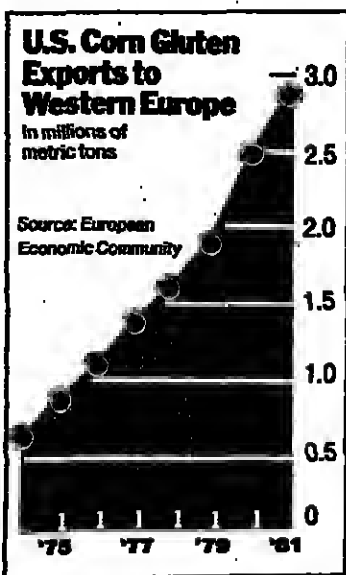
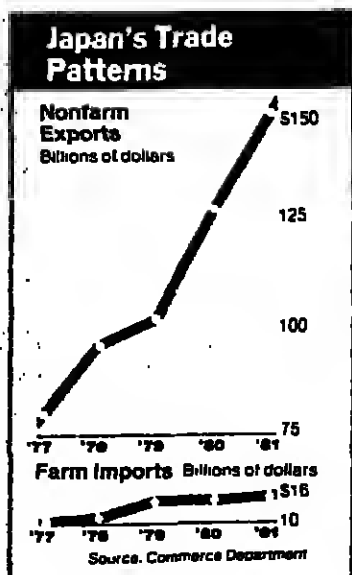
Last month, James Grant, executive director of Unicef, the United Nations Children's Fund, wrote to Nestlé: "It is with regret that I now inform you that my staff have conveyed to me their serious mis-

givings on Nestlé's interpretations of significant aspects of the code, and on the possible harmful effect of its instructions in the implementation of the true spirit and intent of the code."

The letter continued: "I must ask you and your colleagues in Nestlé not to use the name of Unicef nor mine in any way which suggests our endorsement of Nestlé's instructions."

According to a Unicef official, one of the Nestlé interpretations allowed the company to continue giving free samples of infant formula to "health workers" who, critics say, would simply pass them on to mothers. The code itself states that no samples should be given "directly or indirectly" to pregnant women, mothers or members of their families.

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## SCIENCE / EDUCATION

Fossils Mark the Lines  
Of Shifting ContinentsBy Walter Sullivan  
New York Times Service

NEW YORK — In 1910, Alfred Wegener, a German meteorologist and explorer, began a long quest for evidence supporting the seemingly preposterous notion that the continents drift hither and yon. He eventually found it in a strange guise — the global distribution of marsupials, animals such as kangaroos and opossums that carry their young in a pouch.

Marsupials, Wegener pointed out, are largely confined to Australia and South America, which are separated by thousands of miles of ocean. Yet, "even the parasites of the Australian and South American marsupials are the same," he wrote. The phenomenon, he concluded, "dates back to the time when Australia was still joined to South America via Antarctica."

That Antarctica provided the link between the Americas and Australia 65 million years ago, long after the great southern continent of that era, Gondwanaland, began breaking up to form Africa, South America, India, Australia and Antarctica, has now been dramatically confirmed by the discovery of fossil marsupial bones in the onetime land bridge.

The timetable of continental collisions and separations is beginning to solve a number of mysteries concerning animal migration and evolution. Dr. Joel Cracraft of the University of Illinois, for example, believes that it is a key to the evolution of birds. He has suggested that widely dispersed flightless birds, such as the African ostrich, Australian cassowary, South American rheas and the kiwi of New Zealand, had a common, flightless ancestor, and that they walked to their present habitats when the pieces of the continental jigsaw puzzle were joined.

## Recent Discoveries

One of the most recent, and striking, discoveries best explained by a changing geography are the fossils of animals that inhabited Ellesmere Island, the northernmost land of North America, 50 million years ago. The fossils, which include "flying" lemurs, reptiles resembling alligators, mammals akin to the rhinoceros and other warm-climate species, resemble those of animals living in Western Europe during the same period. According to Dr. Malcolm C. McKenna of the American Museum of Natural History in New York, of the 60 genera of mammals then in Europe, 34 were also living in North America; only two were in Asia.

Although Europe and North America were pulling apart to form the North Atlantic, McKenna believes that the survival of two land bridges, permitting animals to move back and forth, explains the phenomenon. He and other scientists theorize that one bridge reached from the Canadian Arctic to southern Greenland, Iceland, the Faeroe Islands and Scotland. The other linked northern Greenland and northern Norway via the Spitsbergen archipelago. Ellesmere Island was almost as close to the North Pole 50 million years ago as it is today. The presence of warm-climate creatures on the island thus suggests that prehistoric world was warmer.

Unlike Ellesmere, when Antarctica linked Australia and South America 80 million years ago, it lay in a more hospitable latitude than now, facilitating passage of temperate zone animals. This year's search for fossil evidence of the link, financed by the National Science Foundation, focused on Seymour Island off the Antarctic peninsula, famous for the fossils of giant penguins.

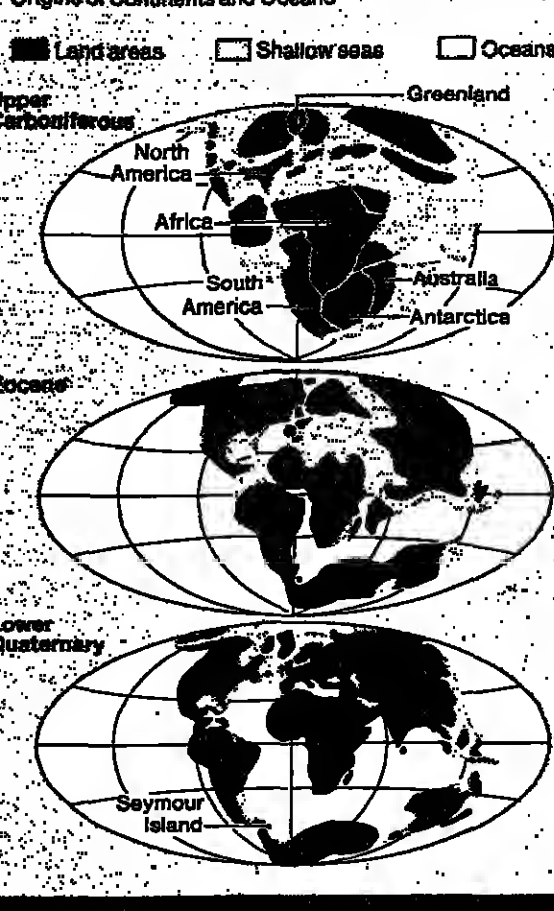
In February, a party led by Dr. William J. Zinsmeister of the Institute of Polar Studies at Ohio State University spent four weeks combing the area. They found nothing until the end of their stay, when they returned to a site rich in penguin remains. Michael O. Woodburne of the University of California at Riverside spotted a marsupial jaw bone. The scientists soon found four fragments from two animals, which resembled a species living during the same era — 40 million years ago — at the southern end of South America. The teeth characterize berry-eating marsupials, says Zinsmeister. He believes the animals, about seven inches long, lived in vegetation near what was the shoreline.

One mystery is why marsupials, but not placental animals, got through from South America to Australia. Female placental animals develop a vascular organ in the uterus, the placenta, that can nourish the fetus to an advanced stage of development in the womb. The marsupial young are born far earlier and complete their development in the mother's pouch. Were the marsupials better adapted to the climate and vegetation of Antarctica? Or, if the remaining link to South America was a chain of volcanic islands, were they better island hoppers? At that time the region of Antarctica nearest South America was free of ice and was itself probably an archipelago.

Because the oldest known marsupial fossil is of a North American animal much like the opossum, scientists have assumed that those mam-

## Continental divide

Drift theory for three epochs from Alfred Wegener's "The Origins of Continents and Oceans"



mals originated on the North American continent some 70 million years ago. Zinsmeister notes, however, that four families of marsupials appeared in South America not long thereafter, suggesting that they had been evolving on the southern continent long before their northern cousins. It is conceivable, then, that marsupials originated in South America, Antarctica or Australia. Then, while the two Americas were separated by water, South America evolved a bestiary of marsupials to fill its many ecological niches.

## Suicide and the Brain's Chemistry

By Victor Cohn  
Washington Post Service

WASHINGTON — A serious chemical defect in the brain may result in suicidal tendencies, according to independent studies at three research centers.

The discovery bolsters a growing body of evidence that much aberrant behavior and mental illness is, at least in part, a result of biochemical problems. The new studies could lead to a screening test to detect potential suicide victims and to a chemical treatment to correct the defect.

Scientists at the National Institute of Mental Health in Bethesda, Md., the Karolinska Institute in Stockholm and Wayne State University in Detroit have found deficiencies in the way the brain uses serotonin — a chemical carrier of

nerve impulses between brain cells — in people who have committed suicide or showed suicidal tendencies.

Serotonin is one of a small group of neurotransmitters, substances that maintain chemical conduction between brain and nerve cells. Studies in recent years have strongly suggested that abnormal neurotransmitter activity plays a role in serious, pathological depression. The latest studies support that finding, although scientists caution that the theory will require further confirmation. However, the National Institute of Mental Health is already trying a new drug treatment to correct the serotonin defect.

The new studies also found similar abnormalities and suicidal tendencies among victims of mental disorders and abnormal beha-

## Thyroid Gland — The Body's Thermostat

By Jane E. Brody  
New York Times Service

NEW YORK — Though the thyroid is a tiny gland that weighs less than one ounce and produces less than one-hundredth of an ounce of hormone each day, the size of the gland belies its influence. No organ system in the body escapes the effects of a thyroid excess or deficiency. The heart, nervous system, sweat glands, reproductive system, eyes, muscles, personality, appetite, skin — all may be affected.

The thyroid, or at least the hormone it produces, have also been subject to widespread abuse. Perhaps because the symptoms of thyroid deficiency mimic a host of hormonally unrelated problems, all too often thyroid hormone has been prescribed inappropriately for such problems as poor appetite, being overweight, infertility, fatigue, excessive sleepiness and depression. When thyroid hormone is taken unnecessarily, it may seriously stress the heart, liver, lungs and kidneys.

Even when appropriately prescribed, thyroid hormone can cause problems if the patient's status is not checked frequently. Bob, for example, was diagnosed 15 years ago as suffering from an underactive thyroid. A hormone supplement was prescribed, which Bob took dutifully. Then one day on the squash court he realized he was panting much harder than usual. A medical checkup revealed heart palpitations, muscular weakness, bulging eyes and a tendency toward profuse sweating, all the result of an excess of thyroid hormone. Now Bob has to take a drug to quiet his overactive thyroid.

The thyroid is like the thermostat of the body. It regulates meta-

bolic rate, the speed with which cells throughout the body use calories. If too much thyroid hormone is produced, the body's idling speed is raised; appetite increases while weight may be lost when the body fails to keep up with its racing engine. Too little hormone slows the metabolic rate and may result in weight gain.

## Metabolic Rate

For years, a determination of the basal metabolic rate was used as a measure, albeit crude, of thyroid activity. Now it is possible to measure directly the amount of thyroid hormone in the blood and obtain a much more accurate assessment of the gland's functioning.

The thyroid is a butterfly-shaped gland that straddles the windpipe. When, during a medical checkup, the doctor feels your neck around the Adam's apple, he or she is checking for thyroid enlargement. Abnormal growth of the thyroid is fairly common, though cancers are relatively rare and usually curable. In recent years, many cases of thyroid cancer have occurred among people who underwent radiation therapy of the head or neck decades earlier for such conditions as enlarged tonsils or thyroid gland or acne (such therapy has long since been abandoned). Thyroid disease occurs four to five times more often in women than in men.

Thyroid hormone is produced and released in response to a signal from the pituitary gland, which in turn is triggered by the hypothalamus, the tiny mastermind at the base of the brain. Two thyroid hormones, thyroxine (T<sub>4</sub>) and triiodothyronine (T<sub>3</sub>), are produced by extracting iodine from the blood, converting it to iodine and attaching it to amino acids. According to Dr. Sidney H. Ingbar, an endocrinologist at Harvard Medical School and Beth Israel Hospital in Boston, T<sub>3</sub> is the far more active hormone, and recent evidence indicates that most of the T<sub>3</sub> produced in the body is made, not in the thyroid, but in the only tissues, from T<sub>4</sub>.

A finely tuned feedback mechanism regulates the amount of thyroid hormone in the blood. When the level drops, thyroid-stimulating hormone is released from the pituitary, prompting the thyroid to grow and produce more of its own hormone.

Perhaps the best-known thyroid disorder results from the workings of this feedback mechanism: endemic goiter, an overgrowth of the thyroid that occurs in regions where there is insufficient iodine in the soil and water. Since the iodine-deficient thyroid produces inadequate amounts of hormone, the pituitary continually prompts it to enlarge in an effort to trap more iodine and produce more hormone. Most people with goiter are able to produce normal amounts of thyroid hormone, though women who are severely iodine-deficient during pregnancy may give birth to babies whose mental and physical development is compromised by an underactive thyroid.

In the United States, the use of

iodized salt, exposure to other sources of iodine and the national distribution of foods from iodine-rich areas has eliminated endemic goiter. There is now some concern about Americans getting too much iodine, and those who stop using iodized salt are not considered at risk of iodine deficiency. However, certain drugs, known as goitrogens (for example, lithium, phenylbutazone and resorcinol), may block the synthesis of thyroid hormone and result in goiter.

In children, thyroid deficiency is a devastating disease. About one in 4,000 babies is born with a thyroid deficiency that, if not detected and treated very soon after birth, will lead to mental retardation and stunted growth. Many states require screening of all newborns for thyroid hormone; unfortunately, however, proper treatment does not always follow detection.

In adults, thyroid deficiency may produce such symptoms as thickened skin, puffiness of the hands and face, loss of hair from the scalp and eyebrows, drowsiness, weight gain, sensitivity to cold, slowed reflexes, mental apathy, constipation, dry skin, stiff aching muscles, hoarse voice, menstrual disturbances, repeated miscarriages, depression and, in severe cases, psychosis or dementia. Some specialists recommend screening psychiatric patients for thyroid function before assuming that the symptoms represent a psychiatric illness.

Treatment of an underactive thyroid usually requires adminis-

The most common form of overactive thyroid is known as hyperthyroidism. It may be needed for life. However, experts caution that regular examinations are necessary to check on hormone levels, since, as in Bob's case, normal thyroid function may return or larger hormone doses may be needed.

Graves' disease, often a familial disorder that may be precipitated by physical or emotional stress or too much iodine. It may occur at any age, but is most common in the third or fourth decade of life, striking seven times more women than men.

In Graves' disease, the thyroid gland enlarges and produces too much hormone. The result may be a raised basal metabolic rate, weight loss despite an increased appetite, sensitivity to heat, profuse sweating, hand tremors, nervousness and irritability, insomnia, palpitations and very fast heart rate, muscular weakness, and bulging eyes, which may lead to loss of vision. Women may experience menstrual abnormalities and reduced fertility.

Treatment is aimed at suppressing the excess hormone production by using antithyroid drugs (commonly propylthiouracil or methimazole), radioactive iodine (which destroys thyroid tissue), or surgery to remove part of the thyroid. Sometimes the treatment results in too little thyroid activity, so all patients should be examined periodically following treatment for an overactive thyroid.

Computer Technology  
Challenges CalculusBy Lee Dembart  
Los Angeles Times Service

LOS ANGELES — Calculus, called one of the greatest achievements of the human mind, may be going the way of Latin — more honored than taught.

Although it has been a key part of the mathematics curriculum on most college campuses for generations, calculus is now being challenged by the computer. There are signs that it is losing.

A growing number of mathematicians and computer scientists are urging schools to teach what is called discrete mathematics, which includes logic and probability and which studies how things combine and are counted — topics that play a large role in problem-solving by computer.

The pending eclipse of calculus, which has been the handmaiden of science and technology practically since the Renaissance, is one more example of the pervasive influence of computers on the way society works and on the ways in which we interpret reality.

"The rise of computers is changing the face of the world not just in obvious ways, but in some very significant intellectual ways," said Anthony Ralston, a mathematician who is professor of computer

science at the State University of New York at Buffalo.

"The overwhelming number of new problems which will come to mathematicians to be solved come from areas which are related to computers and computer science," said Ralston, a leading proponent of giving discrete mathematics at least as much attention as calculus gets in the first year or two of college.

Tension between discrete mathematics and calculus reflects two opposing tendencies that have been felt in mathematics since its earliest days.

The discrete approach seeks to define nature in terms of individual elements, such as the grains of sand on a beach or the numbers 1, 2, 3 and so on. Computers are discrete machines. They deal with individual, countable things such as, for example, finding certain paths through complicated tree diagrams.

By contrast, continuous mathematics, which has had the upper hand since calculus was invented in the 17th century, holds that nature can be understood as a smooth, unbroken flow, such as the action of falling objects or planets orbiting the sun.

Calculus is the tool of the continuous approach, and the computer is threatening to remove it from its preeminent position.

After several years of discussion, the Alfred P. Sloan Foundation of New York has scheduled an invitation-only conference for mathematicians educators next month at Williams College in Massachusetts in hopes of drawing up a new curriculum that includes discrete mathematics.

"There's a feeling that calculus has taken on almost a sacrosanct position in the colleges and that it really doesn't merit it," said Stephen White, the foundation's director of special projects.

No major change in a time-tested curriculum could come easily, even if everyone agreed, and in this case, not everyone agrees.

"It is very foolish," said Richard Hamming, an adjunct professor of computer science at the Naval Post Graduate School in Monterey, Calif. "Chiefly, the people who have gotten into computing don't know mathematics." he scoffed. "They don't know what they're talking about when they propose removing calculus."

He argued that calculus was indispensable even to discrete mathematics. "The trivial stuff goes without it, but once you pass the trivial, you are driven to the tools that you developed in calculus class," he said.

Richard Karp, a professor of computer science at the University of California, Berkeley, agreed. He said calculus was also important to problems in computer science. "Even when you have a discrete problem," he said, "very often a continuous approximation sheds a great deal of light on it."

But he also said that discrete mathematics had advantages over calculus, which, as currently taught, reduces many problems to rote manipulation.

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For further information, please contact the International Herald Tribune Conference Office, 181 avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France. Telephone: 747.12.65, Ext.: 316. Telex: 612832.

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## BUSINESS / FINANCE

FRIDAY, JUNE 11, 1982

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## BUSINESS BRIEFS

## AT&amp;T Computer Unit Approved

WASHINGTON — American Telephone & Telegraph was authorized Thursday to proceed with its plan to create a subsidiary for offering unregulated computer and phone-answering services.

By a 6-10-0 vote, the Federal Communications Commission approved the first phase of a capitalization plan calling for AT&T to provide \$700.4 million worth of funding for the new subsidiary through 1985.

Also accepted by the commission was AT&T's justification of another \$167.6 million worth of pre-operational expenses for the subsidiary, which AT&T has dubbed "XYZ Inc." for the time being.

## Control Data Sees Earnings Drop

MINNEAPOLIS — Control Data said Thursday it expects second-quarter earnings to be below its first-quarter net income of \$1.01 a share.

The company said, however, that it still expects increased earnings in the second half of 1982 and that its current forecast calls for earnings in 1982 to be higher than 1981's \$4.48 a share. In 1981, Control Data earned \$1.06 a share in the first quarter and \$1.13 a share in the second quarter.

## AEG Workers Reject Restructuring

FRANKFURT — AEG-Telefunken workers have rejected the company's restructuring plans and urged the government to take a direct shareholding in the electrical goods manufacturer.

Hans Rubke, head of the Works' Council, said Wednesday that representatives of the work force planned to discuss a government stake with Hans-Joerg Wischniewski, minister of state in the Chancellery, on Saturday, two days before AEG is due to present its restructuring plan to its board.

The Works' Council, which was briefed on the plan Tuesday, said it involved making AEG a holding company and selling shares in its business to outside parties. Mr. Rubke said the council objected to plans to bring in General Electric of Britain.

## Pirelli Sets Convertible-Bond Offer

MILAN — Pirelli said Thursday its subsidiary Industrie Pirelli plans a 93 billion lire (\$70 million) convertible-bond offer to current shareholders.

The conversion terms will be 1,000 shares for every 1,557 bonds of 1,000 lire nominal value.

Consent of official stockholders' approval will be sought at a meeting June 21. The shareholders will also be asked to approve an increase in authorized capital to 233 billion lire from 173 billion to cover conversions.

## Pabst, Olympia Approve Takeover

MILWAUKEE — Pabst Brewing said Thursday that the boards of Pabst and Olympia Brewing had agreed in principle to the acquisition of 49 percent of Olympia's stock for \$28 a share. The 1.27 million Olympia shares would be acquired by a Pabst subsidiary, the company said.

Pabst said both boards also agreed that, upon expiration of the tender offer and approval by shareholders, remaining shares of Olympia would be exchanged for securities of either a new combined Pabst-Olympia company or for Pabst securities. It said the Pabst securities would have a value of at least \$26 per Olympia share.

## Chiyoda Petrostar Gets Saudi Deal

JEDDAH — Chiyoda Petrostar of Japan has signed a \$1 billion contract with Petrostar/Mobil Yanbu Refinery Co. for detailed engineering, procurement and construction of a 250,000-barrel-a-day export refinery at Yanbu, officials said Thursday. Work on the refinery began in March but the contract was made final Wednesday.

Compiled From Agency Dispatches

## U.S. Steel Forecasts A Break-Even Quarter

From Agency Dispatches

CHICAGO — U.S. Steel expects to at least break even in the second quarter, the company's chairman, David M. Roderick, told a meeting of securities analysts here Thursday.

In 1981's second quarter, U.S. Steel earned \$107.6 million on sales of \$2.7 billion. The company posted a profit of \$79.9 million in this year's first quarter.

Mr. Roderick said the company's domestic steelmaking operations most likely will not be profitable in the second quarter. But he said earnings from other operations, including the Marathon Oil subsidiary, probably will offset the loss on steel.

He said gains from the sales of assets and bond repurchases would help the company to at least break even in the second quarter. U.S. Steel expects to raise \$500 million to \$750 million in 1982 and at least \$500 million in 1983 from the disposal of several assets, he said.

The asset disposal program is one of several programs the steelmaker will use to retire \$3 billion in bank debt it incurred to buy Marathon last year. Mr. Roderick said the company also plans to

raise \$400 million to \$700 million from inventory reductions.

U.S. Steel and others in the industry were awaiting a Commerce Department decision, due by midnight Thursday, on whether seven European countries are illegally subsidizing steel sold in the United States. Late Thursday, industry sources said that at least some European steelmakers appeared certain to find themselves facing penalty duties on shipments to the United States beginning Friday.

Transatlantic telephone negotiations between U.S. and European Economic Community officials apparently had failed, a source close to the talks said.

The EEC's industrial policy commissioner, Etienne Davignon, scheduled a press conference for 10 a.m. Friday in Brussels. A U.S. move to impose duties would price some European steel out of the American market, dealing another blow to the already weak European industry.

The Commerce Department was to rule on complaints brought by U.S. steelmakers against several EEC countries and other nations, including Brazil and South Africa.

## 'Super-Lobbies' In U.S. Focus On Trade Issue

By Clyde H. Farnsworth

New York Times Service

WASHINGTON — From his ninth-floor command post at 1801 K Street N.W., Raymond Garcia scans a list of 52 House and Senate budget committee members, then buzzes his assistant, Alexis Piper. "Prepare the Action Alert," he orders.

Carrot-haired, slightly broad of girth, middle-aged, with steel blue eyes glistening in the excitement of a fresh campaign, Mr. Garcia has just begun to turn up the heat from one of the city's newest "coalitions" — the super-lobbies that are organizing to influence legislation, especially in the trade area.

What distinguishes Mr. Garcia's organization, the Coalition for Employment through Exports, and other coalitions from the simpler, more socially oriented lobbies of the past is the breadth of their constituencies, usually spanning the gap between labor and management.

Action Alert is a memorandum that is hand-delivered from staff headquarters of the coalition to the line officers — legislative directors of 40 large and medium-sized companies, 14 labor unions and three governors. The aim is to coordinate a campaign of letter writing, Mailgram sending, telephone calling, legislative visiting and party giving to get more direct leading authority for the Export-Import Bank.

Less Wining and Dining

"We want to prevent our members from tripping all over each other on Capitol Hill so that when we lobby, we can lobby effectively," said Mr. Garcia, executive director of the coalition and a longtime participant in earlier export wars as former vice president of the Emergency Coalition for American Trade.

"Wining and dining are less important these days," he added. "In fact, they're a real pain, espe-



Raymond Garcia

cially for younger legislators who merely want to go home in the evenings. What counts is coming up with a persuasive case."

Other super-lobbies have such names as the Labor Industry Coalition for International Trade (called Licit), the Group of 33 (33 trade organizations and unions seeking more effective enforcement of laws against unfair trade), the Leather Products Coalition (three unions and four trade associations resisting competition from the projected duty-free zone in the Caribbean Basin) and the Committee for the Preservation of American Color Television (known as Compact).

That they are mushrooming in the trade sector, noted Lawrence B. Kruse, a senior fellow at the Brookings Institution, is a reflection of the growing role of international trade in the economy. Imports and exports now account for about 15 percent of the gross national product, twice the per-

(Continued on Page 9, Col. 1)

## Regan Sees Only Slight Decline In Rates, Even With Lower Deficit

The Associated Press

WASHINGTON — Interest rates will edge down only slightly this year, even if Congress settles on a deficit-reducing budget compromise, Treasury Secretary Donald T. Regan predicted Thursday.

But Mr. Regan said that if Congress fails to find a way to reduce the deficit, interest rates will not come down at all.

In the past, Mr. Regan and other administration officials have suggested that a compromise budget would trigger a dramatic drop in interest rates, which have stayed at extraordinarily high levels and are generally blamed for causing the current recession.

Thursday's assessment, however, suggests the administration has little hope any more for a meaningful decline in the cost of money, which economists say is necessary to spark a healthy economic recovery.

If the House were to approve the Republican-sponsored budget compromise, Mr. Regan said, "interest rates will come down under 14 percent by the end of the year." He was referring to the prime rate, which is 16 percent to 16 1/2 percent.

"If there is no budget at all, I don't see interest rates coming down," he said, adding that a more modest recovery later this year.

It's Magic

"It's an act of levitation that interest rates are staying up," Mr. Regan said.

Treasury Undersecretary Beryl W. Sprinkel said Thursday that interest rates and inflation would only rise if the Federal Reserve Board were to bow to mounting congressional pressure and ease its tight-money policy.

Mr. Sprinkel, responding to growing calls in Congress for policy changes that will lower interest rates, insisted that the course the

administration and Fed are pursuing holds the only hope for success.

"Those who advocate re-accelerating money growth or raising the targets are misinformed when they assert that these changes are the route to lower interest rates," Mr. Sprinkel said in testimony prepared for the Joint Economic Committee.

Money vs. Credit

Committee Chairman Henry Reuss, a Wisconsin Democrat, is a leading congressional critic of the tight-money policy that the Fed has adopted with the administration's full endorsement.

Rep. Reuss and other critics of the Fed argue that the bank's policy of limiting the growth of money in the economy has created a credit shortage that has resulted in high interest rates, caused the current recession and threatens to prolong and deepen the downturn.

Mr. Sprinkel said interest rates are high because lenders fear a resurgence of inflation. Faster growth in the supply of money would certainly re-ignite inflation, he said.

"The belief that faster money growth will reduce interest rates is based on a fundamental and common confusion between money and credit," he said. "Those who advocate faster money growth really want to increase real credit growth. Faster money growth will not do it."

Spending Cuts Seen

WASHINGTON (UPI) — Despite large tax cuts, U.S. businesses plan to cut their spending by a real, or inflation-adjusted, 2.4 percent this year, the Commerce Department said Thursday.

The belt tightening appears to have been dictated by the recession and the erosion of earnings. The last time businesses were sur-

veyed on 1982 plans, three months ago, they planned to cut back only 1 percent.

Spending in 1981 stayed at the level of the previous year, when it was up 0.8 percent from 1979, another recession-struck year.

The 1982 outlook would be the worst since the 11.5-percent drop in spending in 1975, the department said.

The latest quarterly survey of business spending plans received most of its responses in late May, department analysts said.

## GM Offer to Buy Autos From Toyota Reported

By Sam Jameson

Los Angeles Times Service

TOKYO — General Motors was reported Thursday to have asked Toyota Motor to supply it with 200,000 to 300,000 cars a year from factories in Japan beginning around 1985.

The Asahi newspaper, quoting Toyota executives, reported that the proposal was made after Toyota rejected an initial GM proposal that the two companies jointly produce 500,000 cars a year at two idle GM plants in the United States. Asahi reported that Toyota executives had described the new GM proposal as part of an overall plan by GM to buy from Japanese makers a total of 800,000 small cars a year beginning around 1985.

Toyota, Japan's largest automaker, agreed in principle to consider joint production of 200,000 cars "as a start" at one GM plant in the United States, and GM came back with the proposal to buy the balance of the cars it is seeking through Toyota as finished products manufactured in Japan. Asahi quoted the Toyota executives as saying, "The executives were not identified."

Political Question

A Toyota spokesman said that he had not heard of the proposal but that he had not been authorized to comment on whether executives at Toyota had heard of it.

Asahi said Toyota executives were skeptical about the possibility of exporting so many finished cars to GM. In view of political resistance in the United States to heavy Japanese exports, Toyota officials cited uncertainty over whether Japan's controls on exports of passenger cars to the United States will end, as scheduled, on March 31, 1984, and expressed concern over likely opposition to the plan from the United Auto Workers union, Asahi said.

GM and Toyota surprised the auto industry March 8 when they announced they had begun discussing "the possibility of cooperation in production of small cars in the United States." Then and again Thursday doubts were expressed over whether cooperation between the two companies would be permitted under U.S. antitrust law.

On May 24, General Motors announced that it would buy an esti-

mated 200,000 subcompact cars from Isuzu Motors beginning in late 1984. The U.S. company owns 34 percent of Isuzu and plans to raise that stake to 42 percent. GM also was reported by Asahi to be negotiating with Suzuki Motors, in which GM purchased a 5-percent share last August, for a purchase by the U.S. company of another 100,000 cars for sale through its Chevrolet dealerships.

Asahi reported that GM was asking Toyota to provide it with the same car the American giant proposes to jointly produce with Toyota in the United States, the Toyota Sprinter, which now is sold only in Japan.

Export Quota

Toyota, which shipped 516,659 passenger cars to the United States in the year ended last March 31 under Japanese-government im-

posed restraints, informed GM that it could not use its export quota to supply cars to GM if export restraints were still in effect 1985, Asahi reported.

In addition, the newspaper said, Toyota would have to build a plant to supply from Japan as many as 200,000 to 300,000 small cars to GM and was concerned about whether GM would commit itself to continuing purchases.

Japanese automotive experts viewed the reported bid as an attempt by GM to buy time in developing its own very small cars and carrying out the investment needed to produce them. Asahi quoted Toyota executives as saying that they were, nonetheless, interested in the GM proposal because it would give the Japanese company access to GM's Chevrolet network, which has nearly six times as many U.S. outlets as Toyota.

## Prices Gain on NYSE On Hope for Budget

From Agency Dispatches

NEW YORK — Speculation that the House of Representatives may reach a federal budget compromise caused a last minute rally and stock prices ended higher Thursday after flirting with the down side most of the day.

The Dow Jones industrial average was only fractionally higher until the last few minutes of trading, when it bounced up to close 3.14 points higher at 798.71. Advances moved past declines by around 730 to 660, and volume slipped to about 52 million shares from the 55.8 million traded Wednesday.

The House was scheduled to vote on both Democratic and Republican budget proposals Thursday.

Analysts said there was some optimism on Wall Street that some sort of compromise would be reached, accounting for the late strength in the market.

But Monte Gordon of Dreyfus Corp. said that if no compromise is reached, "the pressure will be toward the downside."

That sentiment was echoed by others.

"The market is building toward

a selling climax which could send the Dow down to 780 level in the next few days," said Charles Jensen, chief technical analyst of MKI Securities.

Mr. Jensen said that the decline was being fueled "by a buildup of panic selling, margin calls and the breaking of the psychological support level of 800 in the Dow."

First National Bank of Boston, which last week lowered its prime rate to 16 percent, disappointed traders Thursday when it returned its key charge to 16 1/2 percent.

On the NYSE floor, the Cities Service-Mesa Petroleum takeover battle placed both stocks on the active list again. Volume leader Mesa rose 1/4 to 18 on turnover of 1.2 million shares and Cities Service was unchanged at 34 1/2.

Some Wall Street analysts are issuing sell recommendations for both stocks on growing speculation that neither company will succeed in its efforts to acquire the other.

"I have been telling clients to sell their positions in both Cities Service and Mesa and to adopt a wait-and-see attitude," Barry Saghal of Bache Group said.

## Hypo-Bank results 1981

## Group earnings up 17.3% Gains in international business

In 1981, a year characterized by continued fluctuations on international capital markets and lackluster economic performance, Hypo-Bank achieved considerably improved results compared to the previous year.

Bayerische Hypothek- und Wechsel-Bank AG, Germany's oldest publicly-quoted (joint-stock) bank, increased its balance sheet total by 4.8% to more than DM 60 billion. Group assets rose by 6.4% to DM 89.2 billion, with earnings up 17.3% to DM 76.6 million.

The Bank's international business continued to develop favorably. Foreign lending, especially export-related financings, showed satisfactory gains with an again increased proportion of loans going to the highly industrialized economies. Documentary business, foreign exchange transactions, and international payments also posted improved results over 1980.

In its tenth year of Euromarket activity, Hypo-Bank's wholly-owned Luxembourg subsidiary, HYPOBANK INTERNATIONAL S.A., increased its balance sheet total by 18% to Lfrs. 114 billion and substantially strengthened its services to private customers in the areas of deposits, securities, precious metals, and investment counseling.

The New York branch, which accounts for a significant part of the Bank's foreign business, expanded its activities, primarily with corporate clients. In its first full calendar year of operations the London branch, which has "recognized bank" status, successfully broadened its client base and service capabilities.

To strengthen its traditionally close links with the Italian economy, the Bank opened a representative office in Milan. In early 1982, representative offices were opened in Hong Kong and Abu Dhabi.

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Highlights of our consolidated Balance Sheet for 1981 in million DM	
Total assets consolidated	89,239
(Total assets parent company)	60,060
Total loans	71,042
General banking	30,660
Mortgage banking	40,382
Total deposits and long-term liabilities	85,955
General banking	46,217
Mortgage banking	39,738
Capital and reserves	1,791
Share capital	477
Reserves	1,314

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## Tokyo Fears U.S. Will Block Soviet Oil Project

By Tracy Dahlby

Washington Post Service

TOKYO — Japanese businessmen are nervously awaiting a Reagan administration decision on the U.S. role in a Japanese-Soviet petroleum project, sources here said.

The fate of the Sakhalin Island project, in which the Japanese have invested roughly \$220 million since 1975, largely hinges on a decision by President Reagan on whether to clear exports of sophisticated exploration and assaying equipment and expertise. The decision is expected later this month.

Although the \$2 million of U.S. goods and services is small in relation to the total project, failure to get export approval from Washington could cause the Japanese to violate their contract with the Soviets and force 18 private Japanese companies and a government-run energy corporation to surrender their stake in the project, the government and industry sources say.

Suzuki's Plea

Such a move by Mr. Reagan, the Japanese have asserted, would handicap Japan unfairly, while inflicting little or no damage on the Soviets.

During a 35-minute meeting last Friday before the start of the Versailles, France, economic summit, Premier Zenko Suzuki strongly urged Mr. Reagan to reconsider the U.S. ban on exports needed for the project.

Mr. Reagan, who went to Paris seeking allied support for plans to

tighten controls on Western credit to Moscow, responded that the matter would be subject to further study. Foreign Ministry sources in Tokyo said they expect the White House to announce its decision in the next two weeks. Articles in the Japanese press have suggested that the decision could contribute to an underlying feeling among the Japanese that critics of Japan in the United States want to punish the country for its economic success.

For the Japanese, time is of the essence. Ice weather makes work on the project, 480 miles (770 kilometers) north of Japan's northeastern island of Hokkaido, possible only between July and October each year.

"If we don't get the go sign pretty soon," said Tachio Kosaka, an executive at Sakhalin Oil Development Co. in Tokyo, "we are in real trouble; we won't be able to start" operations this year.

The Japanese companies, with the blessing and partial support of the government, entered the project in 1974. The investment is in line with Tokyo's policy of trying to reduce its overwhelming reliance on energy from the Middle East. The Japanese agreed to provide the bulk of machinery, expertise and financing needed for exploration and development. The Soviets agreed to repay the Japanese their initial investment plus a margin, in lieu of profit from eventual oil and gas production.

The contract places virtually all the risk on the Japanese. Mr. Ko-

saka indicated that they were relieved that 12 of 18 test wells dug so far in two separate areas on Sakhalin have located workable deposits of natural gas and, to a considerably lesser extent, crude oil.

The project hit a serious snag, however, when Washington imposed sanctions against the Soviets last December after the military crackdown in Poland. The U.S. move appeared to threaten the supply of vital U.S. goods and services. Only a few companies in the world, all of them in the United States, provide technology and expertise at the level of sophistication

required to make the Sakhalin project profitable for Japan.

Resistance to the approval of the necessary U.S. licenses, well-placed sources in Japan say, is believed to have come from the U.S. Commerce Department and others in the Reagan administration opposed to the construction of the Soviet gas pipeline linking Siberia and Western Europe. The Soviet pipeline and the Soviet-Japanese project, it is argued, would create a dependence on Soviet-controlled energy sources among key U.S. allies and provide support for the Soviet economy.

## CURRENCY RATES

Interbank exchange rates for June 10, excluding bank service charges.

	\$	£	D.M.	P.F.	Y.F.	Y.F.	Y.F.	Y.F.	Y.F.
Australia (A\$)	1.489	4.736	116.89	4.235	1.0000				
Belgium (Bf)	46.34	66.97	18.90	7.343	3.0235	71.89			
Canada (Cdn)	1.2028		4.2653	71.89	2.2223	4.678	80.35	5.624	14.025
Denmark (DKr)	1.25345	3.26550	80.135	71.75		49.33	29.254	4.6836	162.54
France (Ffr)	1.208	1.208	6.454	6.196	0.8788	0.2786	0.0279	0.4846	0.1277
Germany (M)	2.486	26.079	11.285		4.7814	26.082	13.888	26.514	74.85
Italy (Lira)	2.897	3.6271	85.34	36.665	0.1503	77.18			25.044
Japan (Yen)	1.6007	0.2599	2.3849	1.52316	2.4489	63.247	2.9488	8.161	
Switzerland (Sfr)	1.1108	0.4275	N.D.	4.9994	1.79734	2.9628	50.644	2.2801	9.1387

Dollar Values

	Currency	Per U.S.		Currency	Per U.S.
1.0000	Australian \$	0.6758	1.0000	Swedish Krona	0.1366
1.0000	Belgian Bf	46.34	1.0000	Swiss Franc	0.75337
1.0000	British Pound	0.7937	1.0000	Thai Baht	20.340
1.0000	Canadian Cdn	0.7713	1.0000	West German M	2.486
1.0000	French Ffr	6.5596	1.0000	Yugoslav Dinar	20.480
1.0000	German M	2.486	1.0000		
1.0000	Italian Lira	2036.37	1.0000		
1.0000	Japanese Yen	160.96	1.0000		
1.0000	Netherlands Gld	3.7603	1.0000		
1.0000	Portuguese Escudo	200.48	1.0000		
1.0000	Spanish Ptas	166.64	1.0000		
1.0000	Swedish Krona	7.4604	1.0000		
1.0000	Swiss Franc	0.75337	1.0000		
1.0000	Thai Baht	20.340	1.0000		
1.0000	West German M	2.486	1.0000		
1.0000	Yugoslav Dinar	20.480	1.0000		

1 Short Ton = 2,204.62 Pounds. 100 Commercial Francs = 100 Francs. 1000 Francs = 1,000 Francs.



**NYSE Index**

	High	Low	CI
Composites	63.00	62.72	62.86
Industrials	71.37	71.07	71.22

CanLoEn n	627,900
Schlumberg s	602,100
Tandy	538,400

\_\_\_\_\_

Tables include the nationwide prices up to the closing on Wall Street.

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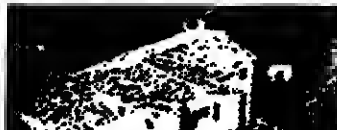
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## Industry Group in Italy Offers New Wage Plan

**Rome** — The Italian industrial employers' confederation, Confindustria, whose rejection of the national wage-indexation program last week touched off nationwide strikes, Thursday published a proposal for restructuring the system. Confindustria has said it will quit the current indexation program, called the scala mobile, in January. The Italian labor union called a general strike on June 25 in protest of the decision.

Confindustria's proposals for changing the wage program include an across-the-board minimum wage to be negotiated periodically between Confindustria and the union federation, and a new, less inflationary scala mobile, possibly with adjustments every four or six months rather than the current three months.

Confindustria proposes that part of the wage increases due under a new scala mobile be paid by the state as family allowances.

Other proposals include changes

in the indexation rules to allow bigger increases for skilled workers than unskilled.

Confindustria proposes that unions in the same sector coordinate their three yearly contract-renewal talks and make clear distinctions between local, regional and national agreements.

Any new agreement should guarantee real wages but stay within government guidelines, it said.

The scala mobile has long been denounced by the government as a major factor fueling inflation. The current government is hoping to bring the annual inflation rate down to 13 percent from its current 16 percent.

Under terms of a 1975 agreement, the wage agreement is automatically renewed every year unless either the employers or the unions give a six-month notice of rejection. The Confindustria decision applies only to private-sector businesses. The public-sector industries have yet to take a position.

## BUSINESS PEOPLE



Orion L. Hoch

Liton Industries, Zurich, has announced that Orion L. Hoch, has rejoined the company as president and chief operating officer and has been elected to the board. Dr. Hoch had been with Liton for 17 years but was most recently president and chief executive officer with Interlink Inc., a micro-electronics company.

John Berkshire has been elected chairman of the London International Financial Futures Exchange and David L. Burt has been elected deputy chairman.

In addition Robert B. Williamson was elected membership and rules chairman; Anthony D. Burton was elected business development chairman; and Stephen E. J. Raven was named floor chairman.

Robert J.R. Owen has been named executive director, Far East division, of Lloyds Bank International, following the retirement of Thomas W. Scott.

Michael H. R. Thompson was appointed to the board of Lloyds Bank International and has been named executive director, merchant banking division, succeeding Mr. Owen.

Continental Illinois National Bank & Trust Co. of Chicago announced several personnel changes in its London office.

In operations and management services, Mark A. Barak has been promoted to vice president and Richard K. Briffet and Clive Lewis-Jones have both been named second vice presidents.

In international banking services, Brian M. Ford and Mark S.S. Swann have been named second vice presidents; Sally A. White and Keith A. Wilson have been named assistant managers.

Bankers Trust Co. of New York appointed Magnus Lagercrantz vice president in the world corporate department.

## EEC Agrees to Back Tin Accord

**Reuters**

**GENEVA** — The European Economic Community said Thursday that it could live with the controversial terms of the sixth International Tin Agreement, giving a major boost to the effort to salvage the accord.

The United Nations, which holds up the tin agreement as a model to be copied for other commodities to help Third World pro-

ducers protect their foreign earnings, opened a meeting here to decide whether the tin accord, due to take effect July 1, should be adopted.

Both the United States and the Soviet Union, two major users of tin, have rejected the agreement, as has Bolivia, an important producer. The meeting was called because the lack of U.S. and Soviet support held consumer-outside backing below the 65 percent nec-

essary to put the agreement automatically into force.

But the EEC pledged to apply the agreement with some reservations, EEC delegates said. They said the EEC wants the agreement to be reviewed after one year and to be applied by all countries that have so far signed it.

The sixth agreement should be able to function effectively even without full support, as was the case with earlier tin accords that the United States did not embrace, EEC delegates said. The United States has supported the current accord but rejected the earlier versions.

Most objections to the new agreement focus on provisions to support world prices by slowing the flow of tin onto the markets and by purchasing supplies for a buffer stock. The buffer stock manager has recently been forced to buy heavily to keep prices from falling; failure to reach a new agreement could bring prices down sharply.

Relations between tin producers, led by Malaysia, and consumers have deteriorated over the past year, and tin markets have been turbulent. A mystery buyer widely suspected to represent producer interests, earlier this year made massive purchases that drove prices to record highs, then suddenly left the market. Prices have tumbled to about \$5,560 (\$11,640 a metric ton) from the February peak of \$9,000.

## Hong Kong and EEC Fail To Agree on Textile Curbs

**Reuters**

**BRUSSELS** — Hong Kong and the European Economic Community have been unable to agree on the number of garments to be allowed into the EEC under a new textile agreement, according to Hong Kong's trade commissioner.

The official, Lawrence Mills, said Wednesday that the EEC has asked for a quota cutback of 12 percent in major garment categories. "Hong Kong has not responded substantively to these requests because it has already made clear that it cannot accept cutbacks in its quotas," he said in a statement.

Mr. Mills was in Brussels to discuss the textile trade agreement with the EEC, which receives about 40 percent of Hong Kong's textile exports. The talks are part of a series between the EEC and 28 developing countries under the Multi-Fiber Arrangement, which lays down guidelines for textile agreements between Third World producers and industrial nations.

The EEC Commission is seeking to restrict the growth of textile imports to protect Europe's textile makers, which have been hurt by recession and fierce competition. The industry organization Com-

textil said earlier this week that the EEC is producing 6 percent fewer textiles than in 1980 and that the industry's work force shrank by one-tenth last year.

Mr. Mills said the EEC and Hong Kong are considering other elements of a future agreement, including consultation procedures and ways of limiting new items that are not covered by the agreement.

He said the EEC has proposed to allow Hong Kong higher ceilings if it agrees to make clothes using fabric from EEC nations. The Europeans also have proposed an "anti-surge mechanism," which would prevent sudden large increases in imports from flooding European markets, he said.

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## COMPANY REPORTS

Revenue and profits, in millions, are in local currencies unless otherwise indicated.

### Canada

3rd Quarter	1982	1981
Revenue	447.4	405.8
Profit	53.7	59.9
Per Share	1.83	1.71
Revenue	192	191
Profit	2,220	2,140
Per Share	219.42	1,420
Revenue	4.85	40.24

### France

Year	1981	1980
Revenue	31,340	30,940
Net	10,629.7	304

### Japanese Failures Decline

**TOKYO** — Japanese corporate bankruptcies fell 2 percent in May to 1,456 from 1,486 in April.

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The Skanska Group. Consolidated Balance Sheet, December 31, 1981.	
In millions of Swedish Kronor (SEK). SEK 1,000 = approx. US\$ 171 in June, 1982.	
<b>Assets</b>	
Current assets:	
Cash in hand and bank balance	2,260
Receivables	4,952
Properties classed as current assets	2,794
	10,006
Fixed assets:	
Other receivables	379
Shares and participation certificates	468
Machinery and equipment	468
Properties classed as fixed assets	249
	1,564
<b>Total SEK m. 11,570</b>	
<b>Liabilities and Equity Capital</b>	
Current liabilities	2,923
Uncompleted contracts	
Billings from commencement of contracts	14,788
Expenditures from commencement of contracts	-11,700
	3,088
	6,011
Long-term liabilities	3,114
Unpaid reserves	1,630
Share capital	341
Reserves	288
Net profit for the year	186
<b>Total SEK m. 11,570</b>	
The Group total turnover in 1981 - SEK 11,181 m.	

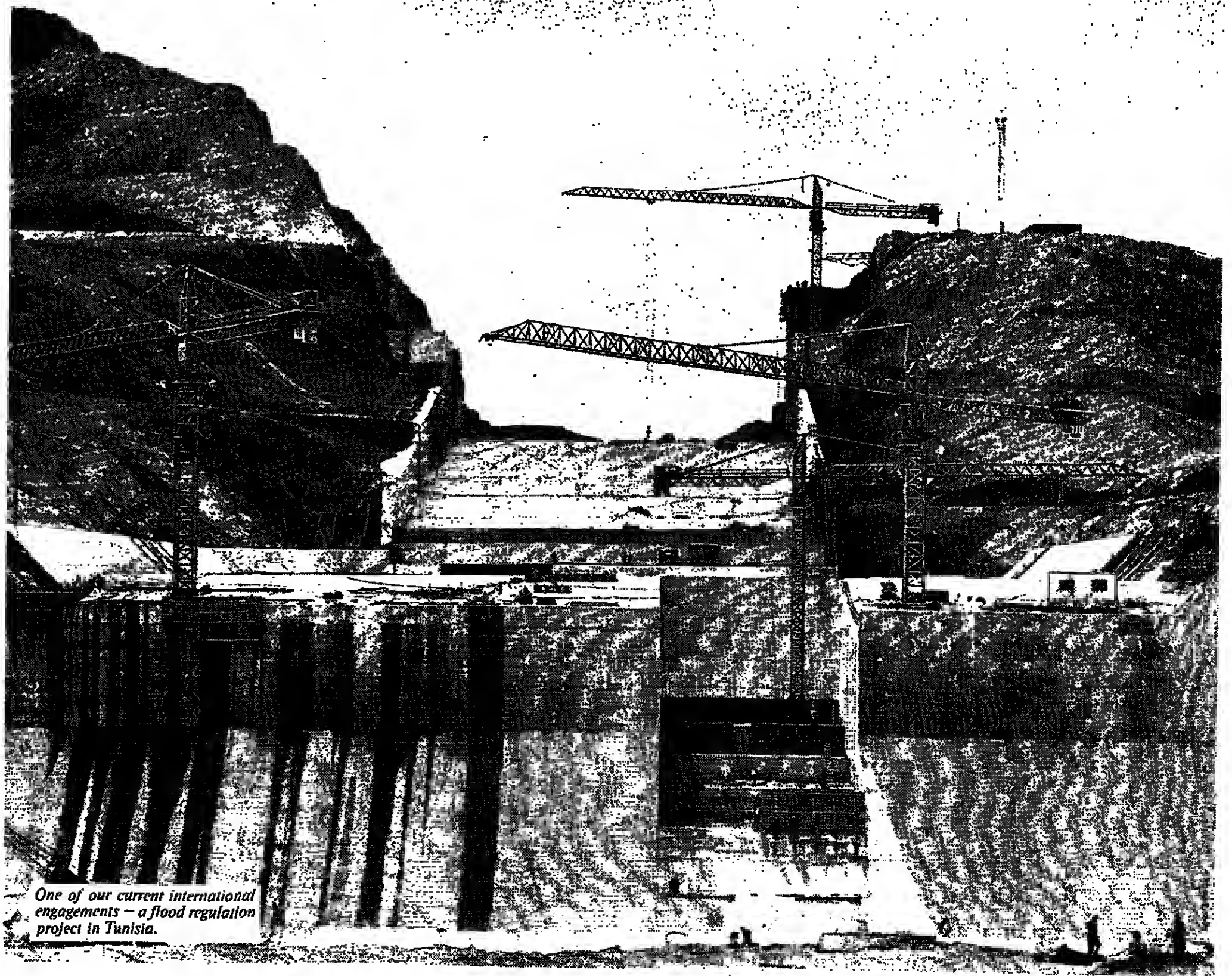
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TURN TO PAGE 8

## Thursday's NYSE Closing Prices

Tables include the nationwide prices up to the closing on Wall Street.

12 Month												12 Month												12 Month												
High	Low	Stock	Div.	Yld.	P/E	52 Wk.	High	Low	Stock	Div.	Yld.	P/E	52 Wk.	High	Low	Stock	Div.	Yld.	P/E	52 Wk.	High	Low	Stock	Div.	Yld.	P/E	52 Wk.									
(Continued from Page 5)																																				
304	10 1/4	James F	1.50	8.1	9.7	20 1/4	19 1/4	19 1/4	19 1/4	19 1/4	19 1/4	+	38	44	40	Kia	4	8.5	7	45	45	45	45	+	38	44	40	Kia	4	8.5	7	45	45	45	45	+
234	13 1/4	Irish	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kissel	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kissel	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+
114	10 1/4	Joseph	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	+	41 1/4	41 1/4	41 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+	41 1/4	41 1/4	41 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+
104	10 1/4	Joseph	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+
22 1/4	10 1/4	Joseph	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+
22 1/4	10 1/4	Joseph	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+
22 1/4	10 1/4	Joseph	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+
22 1/4	10 1/4	Joseph	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+
22 1/4	10 1/4	Joseph	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+
22 1/4	10 1/4	Joseph	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+
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22 1/4	10 1/4	Joseph	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+
22 1/4	10 1/4	Joseph	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+
22 1/4	10 1/4	Joseph	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+
22 1/4	10 1/4	Joseph	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+
22 1/4	10 1/4	Joseph	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+
22 1/4	10 1/4	Joseph	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+
22 1/4	10 1/4	Joseph	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+
22 1/4	10 1/4	Joseph	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+
22 1/4	10 1/4	Joseph	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+
22 1/4	10 1/4	Joseph	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+
22 1/4	10 1/4	Joseph	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+
22 1/4	10 1/4	Joseph	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+
22 1/4	10 1/4	Joseph	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+
22 1/4	10 1/4	Joseph	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+
22 1/4	10 1/4	Joseph	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+
22 1/4	10 1/4	Joseph	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+
22 1/4	10 1/4	Joseph	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+
22 1/4	10 1/4	Joseph	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+
22 1/4	10 1/4	Joseph	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+
22 1/4	10 1/4	Joseph	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+
22 1/4	10 1/4	Joseph	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+
22 1/4	10 1/4	Joseph	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+
22 1/4	10 1/4	Joseph	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+
22 1/4	10 1/4	Joseph	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+
22 1/4	10 1/4	Joseph	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	+
22 1/4	10 1/4	Joseph	1.25	7.2	7	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	4 1/4	+	29 1/4	29 1/4	29 1/4	Kramer	1.25																			



Tables include the nationwide prices up to the closing on Wall Street.

**International Herald Tribune**  
We've got news for you.



We suspect you may be influenced by something a little less tangible. But just for the record, our Super Club does happen to have the widest seats across the Atlantic.

Fly the British way  
**British  
airways**



## Chicago Futures June 10

Chicago Futures Last Settlement Date					
	Open	High	Low	Settle	Chg.
<b>WHEAT</b>					
No. 3 (in minimum), dollars per bushel					
Jul	2.34	2.37	2.32	2.37 1/2	+0.00
Aug	1.97 1/2	2.04	1.97 1/2	2.03	+0.06
Sep	1.75 1/2	1.82	1.75 1/2	1.80	+0.05
Oct	1.57 1/2	1.64	1.57 1/2	1.62 1/2	+0.05
Nov	1.39 1/2	1.47 1/2	1.39 1/2	1.45 1/2	+0.06
Dec	1.21 1/2	1.29 1/2	1.21 1/2	1.27 1/2	+0.06
Jan	1.03 1/2	1.11 1/2	1.03 1/2	1.09 1/2	+0.06
Feb	.85 1/2	.93 1/2	.85 1/2	.91 1/2	+0.06
Mar	.67 1/2	.75 1/2	.67 1/2	.73 1/2	+0.06
Apr	.49 1/2	.57 1/2	.49 1/2	.55 1/2	+0.06
May	.31 1/2	.39 1/2	.31 1/2	.37 1/2	+0.06
Jun	.13 1/2	.21 1/2	.13 1/2	.19 1/2	+0.06
Prev. settle 22.14					
Prev. day's open (at 47.95) at 24 1/2					
<b>CORN</b>					
No. 2 (in minimum), dollars per bushel					
Jul	2.14	2.17	2.11	2.15 1/2	+0.01 1/2
Aug	1.76 1/2	1.84	1.74	1.82 1/2	+0.06
Sep	1.59 1/2	1.67 1/2	1.57 1/2	1.65 1/2	+0.06
Oct	1.42 1/2	1.50 1/2	1.40 1/2	1.48 1/2	+0.06
Nov	1.25 1/2	1.33 1/2	1.23 1/2	1.31 1/2	+0.06
Dec	1.08 1/2	1.16 1/2	1.06 1/2	1.14 1/2	+0.06
Jan	.91 1/2	.99 1/2	.89 1/2	.97 1/2	+0.06
Feb	.74 1/2	.82 1/2	.72 1/2	.80 1/2	+0.06
Mar	.57 1/2	.65 1/2	.55 1/2	.63 1/2	+0.06
Apr	.39 1/2	.47 1/2	.37 1/2	.45 1/2	+0.06
May	.21 1/2	.29 1/2	.19 1/2	.27 1/2	+0.06
Jun	.03 1/2	.11 1/2	.01 1/2	.09 1/2	+0.06
Prev. settle 25.24					
Prev. day's open (at 14.17) at 15.18 1/2					
<b>SOYBEANS</b>					
No. 2 (in minimum), dollars per bushel					
Jul	6.30	6.34 1/2	6.27 1/2	6.32 1/2	+0.02
Aug	5.44 1/2	5.52 1/2	5.40 1/2	5.48 1/2	+0.02
Sep	4.58 1/2	4.66 1/2	4.54 1/2	4.62 1/2	+0.01
Oct	3.72 1/2	3.80 1/2	3.68 1/2	3.76 1/2	+0.01
Nov	2.86 1/2	2.94 1/2	2.84 1/2	2.92 1/2	+0.01
Dec	2.00 1/2	2.08 1/2	1.98 1/2	2.06 1/2	+0.01
Jan	1.14 1/2	1.22 1/2	1.12 1/2	1.20 1/2	+0.01
Feb	.28 1/2	.36 1/2	.26 1/2	.34 1/2	+0.01
Mar	.12 1/2	.20 1/2	.10 1/2	.18 1/2	+0.01
Apr	.06 1/2	.14 1/2	.04 1/2	.12 1/2	+0.01
May	.00 1/2	.08 1/2	-.02 1/2	.06 1/2	+0.01
Jun	.00 1/2	.08 1/2	-.02 1/2	.06 1/2	+0.01
Prev. settle 34.72					
Prev. day's open (at 37.74) at 38.25					
<b>PRIV. SOYBEAN OIL</b>					
16 lbs. tins; dollars per tin					
Jul	18.10	18.20	18.10	18.10	+0.00
Aug	16.10	16.20	16.10	16.10	+0.00
Sep	14.10	14.20	14.10	14.10	+0.00
Oct	12.10	12.20	12.10	12.10	+0.00
Nov	10.10	10.20	10.10	10.10	+0.00
Dec	8.10	8.20	8.10	8.10	+0.00
Jan	6.10	6.20	6.10	6.10	+0.00
Feb	4.10	4.20	4.10	4.10	+0.00
Mar	2.10	2.20	2.10	2.10	+0.00
Apr	.10	.20	.10	.10	+0.00
May	.00	.10	.00	.00	+0.00
Jun	.00	.10	.00	.00	+0.00
Prev. settle 9.00					
Prev. day's open (at 40.06) at 80.4					
<b>SOYBEAN OIL</b>					
16 lbs. tins; dollars per tin					
Jul	18.13	19.40	18.11	19.20	+0.12
Aug	16.13	17.40	16.11	17.20	+0.12
Sep	14.13	15.40	14.11	15.20	+0.12
Oct	12.13	13.40	12.11	13.20	+0.12
Nov	10.13	11.40	10.11	11.20	+0.12
Dec	8.13	9.40	8.11	9.20	+0.12
Jan	6.13	7.40	6.11	7.20	+0.12
Feb	4.13	5.40	4.11	5.20	+0.12
Mar	2.13	3.40	2.11	3.20	+0.12
Apr	.13	.40	.11	.40	+0.12
May	.03	.30	.01	.30	+0.12
Jun	.03	.30	.01	.30	+0.12
Prev. settle 11.07					
Prev. day's open (at 55.80) at 225					
<b>COSTS</b>					
No. 3 (in minimum), dollars per bushel					
Jul	1.86 1/2	1.90	1.85	1.89	+0.04
Aug	1.70 1/2	1.82	1.68	1.78	+0.08
Sep	1.54 1/2	1.66	1.52	1.62	+0.08
Oct	1.38 1/2	1.50	1.36	1.46	+0.08
Nov	1.22 1/2	1.34	1.20	1.30	+0.08
Dec	1.06 1/2	1.18	1.04	1.14	+0.08
Jan	.90 1/2	1.02	.88	.98	+0.08
Feb	.74 1/2	.86	.72	.82	+0.08
Mar	.58 1/2	.70	.56	.66	+0.08
Apr	.42 1/2	.54	.40	.50	+0.08
May	.26 1/2	.38	.24	.34	+0.08
Jun	.10 1/2	.22	.08	.18	+0.08
Prev. settle 15.95					
Prev. day's open (at 62.27) at 204					

Canadian Stock Market				
Prices in Canadian cts.				
Toronto				
New York Close Change				
3 1/2	AMCA Int	51 1/4	14 1/4	+ 1/4

[illegible]Prev.  
477[illegible]

<p> <b>Com</b>            25 45 100 150 200 250 300 350 400 450 500 550 600 650 700 750 800 850 900 950 1000 1050 1100 1150 1200 1250 1300 1350 1400 1450 1500 1550 1600 1650 1700 1750 1800 1850 1900 1950 2000 2050 2100 2150 2200 2250 2300 2350 2400 2450 2500 2550 2600 2650 2700 2750 2800 2850 2900 2950 3000 3050 3100 3150 3200 3250 3300 3350 3400 3450 3500 3550 3600 3650 3700 3750 3800 3850 3900 3950 4000 4050 4100 4150 4200 4250 4300 4350 4400 4450 4500 4550 4600 4650 4700 4750 4800 4850 4900 4950 5000 5050 5100 5150 5200 5250 5300 5350 5400 5450 5500 5550 5600 5650 5700 5750 5800 5850 5900 5950 6000 6050 6100 6150 6200 6250 6300 6350 6400 6450 6500 6550 6600 6650 6700 6750 6800 6850 6900 6950 7000 7050 7100 7150 7200 7250 7300 7350 7400 7450 7500 7550 7600 7650 7700 7750 7800 7850 7900 7950 8000 8050 8100 8150 8200 8250 8300 8350 8400 8450 8500 8550 8600 8650 8700 8750 8800 8850 8900 8950 9000 9050 9100 9150 9200 9250 9300 9350 9400 9450 9500 9550 9600 9650 9700 9750 9800 9850 9900 9950 10000 10050 10100 10150 10200 10250 10300 10350 10400 10450 10500 10550 10600 10650 10700 10750 10800 10850 10900 10950 11000 11050 11100 11150 11200 11250 11300 11350 11400 11450 11500 11550 11600 11650 11700 11750 11800 11850 11900 11950 12000 12050 12100 12150 12200 12250 12300 12350 12400 12450 12500 12550 12600 12650 12700 12750 12800 12850 12900 12950 13000 13050 13100 13150 13200 13250 13300 13350 13400 13450 13500 13550 13600 13650 13700 13750 13800 13850 13900 13950 14000 14050 14100 14150 14200 14250 14300 14350 14400 14450 14500 14550 14600 14650 14700 14750 14800 14850 14900 14950 15000 15050 15100 15150 15200 15250 15300 15350 15400 15450 15500 15550 15600 15650 15700 15750 15800 15850 15900 15950 16000 16050 16100 16150 16200 16250 16300 16350 16400 16450 16500 16550 16600 16650 16700 16750 16800 16850 16900 16950 17000 17050 17100 17150 17200 17250 17300 17350 17400 17450 17500 17550 17600 17650 17700 17750 17800 17850 17900 17950 18000 18050 18100 18150 18200 18250 18300 18350 18400 18450 18500 18550 18600 18650 18700 18750 18800 18850 18900 18950 19000 19050 19100 19150 19200 19250 19300 19350 19400 19450 19500 19550 19600 19650 19700 19750 19800 19850 19900 19950 20000 20050 20100 20150 20200 20250 20300 20350 20400 20450 20500 20550 20600 20650 20700 20750 20800 20850 20900 20950 21000 21050 21100 21150 21200 21250 21300 21350 21400 21450 21500 21550 21600 21650 21700 21750 21800 21850 21900 21950 22000 22050 22100 22150 22200 22250 22300 22350 22400 22450 22500 22550 22600 22650 22700 22750 22800 22850 22900 22950 23000 23050 23100 23150 23200 23250 23300 23350 23400 23450 23500 23550 23600 23650 23700 23750 23800 23850 23900 23950 24000 24050 24100 24150 24200 24250 24300 24350 24400 24450 24500 24550 24600 24650 24700 24750 24800 24850 24900 24950 25000 25050 25100 25150 25200 25250 25300 25350 25400 25450 25500 25550 25600 25650 25700 25750 25800 25850 25900 25950 26000 26050 26100 26150 26200 26250 26300 26350 26400 26450 26500 26550 26600 26650 26700 26750 26800 26850 26900 26950 27000 27050 27100 27150 27200 27250 27300 27350 27400 27450 27500 27550 27600 27650 27700 27750 27800 27850 27900 27950 28000 28050 28100 28150 28200 28250 28300 28350 28400 28450 28500 28550 28600 28650 28700 28750 28800 28850 28900 28950 29000 29050 29100 29150 29200 29250 29300 29350 29400 29450 29500 29550 29600 29650 29700 29750 29800 29850 29900 29950 30000 30050 30100 30150 30200 30250 30300 30350 30400 30450 30500 30550 30600 30650 30700 30750 30800 30850 30900 30950 31000 31050 31100 31150 31200 31250 31300 31350 31400 31450 31500 31550 31600 31650 31700 31750 31800 31850 31900 31950 32000 32050 32100 32150 32200 32250 32300 32350 32400 32450 32500 32550 32600 32650 32700 32750 32800 32850 32900 32950 33000 33050 33100 33150 33200 33250 33300 33350 33400 33450 33500 33550 33600 33650 33700 33750 33800 33850 33900 33950 34000 34050 34100 34150 34200 34250 34300 34350 34400 34450 34500 34550 34600 34650 34700 34750 34800 34850 34900 34950 35000 35050 35100 35150 35200 35250 35300 35350 35400 35450 35500 35</p>
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**Trustee for the Noteholders:**  
**Nederlandse Trust-Maatschappij b.v.**  
**326-328 N.Z. Voorburgwal**  
**1012 RW Amsterdam**

— **Banque Générale du Luxembourg**  
14, rue Aldringen, LUXEMBOURG

— **Cazenove & Co.,**  
12 Tokenhouse Yard, LONDON, E.C. 3

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01 6236941 German  
32252 Switzerland 32

**LONDON** — The Mergers and Monopolies Commission said Thursday it has concluded that the acquisition of Serck by BTR is not against the public interest. BTR



[illegible]







## SPORTS

## North Stars Deal to Get Their Man at NHL Draft

From Agency Dispatches

MONTREAL — It took some fast wheeling and dealing, but the Minnesota North Stars managed to hook the prize they sought at the NHL amateur entry draft.

The North Stars sent defenseman Brad Palmer and minor-league Dave Donnelly to the Boston Bruins on Wednesday in exchange for "draft considerations," which allowed them to pick pre-draft favorite Brian Bellows, a high-scoring right wing.

The Bruins, using the pick they acquired in the deal that sent Dwight Foster to the Colorado Rockies (now New Jersey), made Gord Kluzak, a 6-foot-4, 200-pound defenseman, the first overall choice of the 252 players selected in the draft.

The maneuvering left Bellows, touted as the top choice for two years, to the North Stars.

Bruins general manager Harry Sinden maintained Kluzak was his first choice all along. "We had Kluzak rated No. 1," said Sinden.

"Once we had the injury question checked out, it was Kluzak all the way."

Kluzak saw limited duty in junior hockey last season because of torn ligaments in his left knee.

Brothers of current NHL players were popular in the first round.

Philadelphia picked Ron Sutter and his twin brother, Rich, was chosen by Pittsburgh. The twins join four other Sutters in the NHL: Brian with St. Louis, Darryl with Chicago and Duane with the New York Islanders.

And New Jersey used a pick that they had acquired from the St. Louis Blues, to draft right winger Rocky Trotter, brother of Islander center Bryan Trotter. The pick was one of two New Jersey received from St. Louis for highly-regarded defenseman Rob Ramage.

The Washington Capitals received goalie Pat Riggin and forward Ken Houston from Calgary in exchange for defenseman Howard Walker, center George White of the University of New Hampshire.

plus three Caps' draft picks. The Capitals also acquired forward Alan Haworth and a draft choice from Buffalo in exchange for their second and fourth round picks.

Buffalo also signed Bob Sauve, a goaltender who was traded to Detroit last season but became a free agent when the season ended. The signing allowed the Buffalo to send goalie Don Edwards and defenseman Ritchie Dunn to Calgary on Tuesday for the Flames' first and second-round draft choices this year and their second-round pick in 1983.

Philadelphia sent goalie Pete Peters to Boston for defenseman Brad McCrimmon.

Three Soviet players were drafted on the seventh round. Los Angeles took center Victor Nezhnev, who is living in Los Angeles. The New York Rangers picked left wing Sergei Kapustin, and Minnesota took Viktor Zhukov, a also left wing.

Earlier in the week, Wayne Gretzky became the first player ever to be named the NHL's most valuable player by unanimous vote, winning his third consecutive Hart Trophy. The high-scoring 21-year-old center for the Edmonton Oilers received all 63 first-place votes and 315 points in balloting by members of the Professional Hockey Writers' Association.

Dale Hawerchuk of Winnipeg, the first pick in the 1981 entry draft, won the Calder Trophy as rookie of the year; Chicago's Doug Wilson won the Norris Trophy as the league's best defenseman; the Islanders' Bill Smith received the Vezina Trophy as the most valuable goaltender; Boston's Rick Middleton was voted the Lady Byng winner for combining skill and gentlemanly play; and fellow Bruin Steve Kasper won the Frank Selke Award as the best defensive forward in the NHL.

## Cooney's Injury Is Just One of Many Unknowns

By Michael Katz

New York Times Service

LAS VEGAS, Nev. — Gerry Cooney had boxed his last round, No. 244, in preparation for Larry Holmes and, as he removed the tape from his hands, he apologized to his disappointed audience for looking so bad.

As he rests now for Friday night's challenge of Holmes' World Boxing Council heavyweight title, Cooney's performance in training has added another major question to the long list of uncertainties surrounding the undefeated 25-year-old challenger: How completely will he recover from the January shoulder injury that forced the postponement of this fight?

The public answer, from Cooney, "Why is everybody talking about it?" to his physician, Dr. Jeffrey Minkoff, is that the torn muscle fibers in the back of the left shoulder have completely healed. There has been no uncertainty as to the power of his left hook in training. "But it may be that although the shoulder is functional, it is not recovered sufficiently to be able to generate its power more than a few rounds. Cooney, who has never gone more than eight rounds in his career and who has not fought since May 11, 1981, has not boxed more than 10 rounds on any day since he resumed sparring in early April.

Cooney has always been known as a great gym fighter. But at the Concord Hotel in Kiamnesia Lake, N.Y., where he resumed sparring:

at his Palm Springs, Calif., training camp, and in the Caesar's Palace ballroom here, where he concluded it has been mysteriously out of form.

Sparring partners have found it hard to miss him with jabs. Holmes' main weapon, Tuesday, Walter Santorum was reaching Cooney so often with rights that Cooney said "I looked like Walter's sparring partner."

Cooney's performance could be the product of his ring rust. He knocked out Ken Norton in 54, the undefeated 25-year-old challenger, on Dec. 14, 1979, he has fought only a little over five rounds.

Simple Strategy But from the way Cooney has been training — he has been passing up every fourth day of roadwork — indicates that his corner, like most of the boxing world, does not expect this to be a very long fight.

Gerry Cooney's strategy is very simple, said Ray Arce, the 82-year-old trainer who is working with Holmes. "He will try to hit Larry Holmes on the chin with a left hook. What else can he do?"

Mike Jones, Cooney's co-manager, calls the challenger's left hook "the equalizer," admitting that Holmes has an edge in experience, boxing ability and ring generalship. One punch is all it takes.

Eddie Futch, Holmes' 70-year-old chief trainer, is not so sure. "I haven't seen Cooney's punching power against a real contender," said Futch. "I'm not going to rate him on a Norton, who was washed up, or a Ron Lyle, who was knocked out just before by Lynn Ball. I don't think Cooney hits as hard as Eddie Shavers."

Still, the champion's overall strategy is almost as simple as Arce's assessment of Cooney's game plan: The champion must not get hit by the left hook.

Holmes has devised several ways of combating the left hook. Possessing superior hand speed — although Cooney, for a man listed only at 6 feet 7 inches tall and 225 pounds, has good hand speed — he can beat the challenger's hook with a straight right hand of his own. Straight punches travel faster than hooks.

He will most likely open the fight by moving to the left and throwing left jabs to keep Cooney off balance.

Victor Valle, Cooney's trainer, said Holmes would not be able to dance all night. "He will try to run," said Futch, just merely move from side to side and maintain his jab. "One left jab saves six steps," said Futch.

Cooney will have to set up the

hook, and one of the things he has been working on has been lead right hands. A right hand set up the knockout of Ken Norton.

But his lack of experience against opponents who would have made him think in the ring is another mark against Cooney.

Punches and counterpunches are planned many moves in advance, almost like a chess game ("more like checkers because it's faster," said Holmes) and Cooney is not used to playing this kind of game.

Holmes says he has done his homework for this fight. He has spent many hours studying videotapes of Cooney's fights. He has

learned, for instance, that the challenger usually stops punching when his opponent is punching. He has learned that Cooney is ineffective backing up. And he thinks he has learned when to expect a Cooney punch; the key is watching the challenger's feet.

While almost all signs point toward Holmes, the champion is 32 and not what he used to be. And Cooney can punch. The magic of heavyweight old fights has been that they can end with one punch. There hasn't been much magic in recent years. The magic may be back, but it appears the champion still has more tricks.



Gerry Cooney working on his speed.

## Argentina, U.K. Put Politics on Tennis Sidelines

The Associated Press

SAN FRANCISCO — The fighting between Britain and Argentina in the Falkland Islands apparently will not keep the two countries from competing in the 20th annual Federation Cup tennis championship next month.

Representatives of both nations stood on opposite sides of the same podium at the draw Wednesday for the women's tournament, which will bring teams from 32 countries together July 19-25 in Santa Clara, Calif.

Both Oscar C. Avall, consul general of Argentina, and David Goodwin, vice consul of Britain, said their countries would compete in the Federation Cup and play against each other if they were to meet. But the teams will not meet unless both reach the final.

Britain, seeded fifth, will play Italy in the opening round while Argentina will meet Peru. Other opening round matches involving seeded teams are: United States vs. Indonesia, No. 2 Australia vs. Czechoslovakia, No. 3 Czechoslovakia vs. Canada, No. 4 West Germany vs. Portugal, No. 5 Soviet Union vs. Spain, No. 7 Switzerland vs. New Zealand and No. 8 France vs. Brazil.

## NFL Patriots Sign Sims

The Associated Press

FOXBORO, Mass. — The New England Patriots have signed defensive lineman Kenneth Sims, the top choice in the National Football League draft and the cornerstone of their rebuilding project, to a four-year contract. The club announced the signing Wednesday.

The value of the deal was not revealed, though New England said it would not make Sims the highest paid Patriot at the present time.

## Player Says Cocaine Use Is Widespread in NFL

By Frank Litsky

New York Times Service

NEW YORK — Don Reese, a pro football player who in 1977 was sentenced to a year in prison for selling cocaine, has charged that the drug "now controls and corrupts the game because so many players are on it."

The 30-year-old defensive end, who played for the Miami Dolphins (1978-80) and the New Orleans Saints (1981), says that there were major drug problems on all three teams. The Chargers released him with two games remaining last season, and he says that his playing career is over.

His accusations of widespread cocaine use appear in the June 14 issue of Sports Illustrated, in an article under the bylines of Reese and John Underwood, a member of the magazine's staff.

Nowhere in the article did Reese give an estimate of the number of players using cocaine in the Na-

tional Football League. But he did say:

"Cocaine can be found in quantity throughout the NFL. It's pushed on players, often from the edge of the practice field. Sometimes it's pushed by players. Prominent players."

That environment, he said, has brought him to the point where "I hate the NFL." "A cocaine cloud covers the entire league," he said. "I think most coaches know this or have a good idea. Except the dumb ones. Dick Nolan must have suspected that we were on the stuff in New Orleans because he asked me about it a couple of times. Don Shula was too sharp to let it go by unnoticed in Miami, and we had to be extra careful around him."

Nolan was dismissed by the Saints after they lost their first 12 games in 1980, and is now an assistant coach with the Dallas Cowboys. He said Wednesday that he had been unaware of any drug

problem on the Saints. "If anybody was using it and I knew it," he said, "they wouldn't be playing for me."

But Fred Williams, assistant to the Saints president, acknowledged that "we undoubtedly had problems in 1980." When asked if drug abuse had been one of the problems, he said, "I think that probably had something to do with it, sure."

Two years ago, the NFL began a program to allow players with drug or alcohol problems to seek help confidentially at rehabilitation centers. Jim Heffernan, the league's director of public relations, says that 17 players had enrolled — seven in 1980 and 10 last year and this year.

"I think we are aware of the problem in the league and in society as a whole," Heffernan said. "In the past, drug and alcohol problems were treated with punishment and discipline. Now they are treated with assistance."



Cubs' Bill Buckner knocks the ball from Phillies' Manny Trillo as he slides safely into second.

## Carlton Fans 16 Cubs as Phillies Deal Chicago Its 10th Loss in Row

From Agency Dispatches

PHILADELPHIA — Bo Diaz and Mike Schmidt hit home runs to back the 16-strikeout pitching of Steve Carlton, leading the Philadelphia Phillies to a 4-2 victory over Chicago Wednesday night and a sweep of their three-game series with the Cubs.

Carlton's 16 strikeouts is the major-league high for the year. The left-hander scattered 10 hits and walked two, raising his record to 7-6. The Cubs have lost 10 in a row.

The Phillies opened the scoring in the first inning when Gary Matthews' sacrifice drove in Greg Gross from third. Chicago tied the game, 1-1, in the second on Gary Wood's second homer of the year.

But the Phillies went ahead for good in their half of the second on Diaz' 10th homer of the year and stretched their lead when Schmidt hit his fifth homer in the fourth inning.

The Cubs came back with a run in the sixth when, Steve Henderson drove in Bill Buckner with a

sacrifice fly. The Phillies rounded out the scoring in the eighth on walks to Matthews and Diaz and a single by Gary Maddox.

Astros 6, Giants 1

In San Francisco, Joe Niekro pitched a three-hitter for his 150th career victory as Houston beat the Giants 6-1. The 37-year-old Niekro (5-3) broke the Giants' four-game winning streak. The Astros had eight hits, and bunched four in the third inning to score three runs for a 3-0 lead.

Expos 5, Cardinals 1

In Montreal, Gary Carter hit a two-run homer in the fourth inning and Bill Gullickson pitched a strong 8½ innings to pace the Expos to a 5-1 victory over St. Louis. Gullickson (4-5) gave up nine hits, struck out three and walked two before Jeff Reardon came in with two outs in the ninth and runners on first and third to record his eighth save. The Cards did not help their cause by stranding 10 runners on base.

Mets 3, Pirates 2

In New York, pinch runner Rusty Tillman scored from third base on a fielder's choice with one out in the ninth inning to cap a two-run rally that gave the Mets a 3-2 victory over Pittsburgh.

Reds 4, Padres 3

In San Diego, Tom Seaver, trying to shake off one of the worst starts in his 16-year career, pitched strong innings to lead Cincinnati to a 4-3 victory over the Padres. Seaver, making his 11th start, allowed only five hits. The victory was just his third in nine decisions. Tom Hume earned his 10th save.

Braves 11, Dodgers 5

In Los Angeles, Biff Pocoroba went 5-for-5 and drove in five runs to back the pitching of Rick Mahler, who threw seven shutout innings, as Atlanta routed the Dodgers, 11-5.

Orioles 8, Brewers 3

In Milwaukee, Joe Nolan hit a three-run homer and singling in another run to help Baltimore complete a three-game sweep of the Brewers.

## Wednesday's Major League Line Scores

NATIONAL LEAGUE	W	L
Pittsburgh	100 000-2 10 3	
New York	000 000-3 8 1	
San Francisco	000 000-3 8 1	
Los Angeles	000 000-3 8 1	
Philadelphia	000 000-3 8 1	
St. Louis	000 000-3 8 1	
San Diego	000 000-3 8 1	
Montreal	000 000-3 8 1	
Chicago	000 000-3 8 1	
Atlanta	000 000-3 8 1	
Washington	000 000-3 8 1	
San Francisco	000 000-3 8 1	
Los Angeles	000 000-3 8 1	
Philadelphia	000 000-3 8 1	
St. Louis	000 000-3 8 1	
San Diego	000 000-3 8 1	
Montreal	000 000-3 8 1	
Chicago	000 000-3 8 1	
Atlanta	000 000-3 8 1	
Washington	000 000-3 8 1	

## Major League Standings

NATIONAL LEAGUE	W	L	Pct.
Pittsburgh	100	2	.980
New York	81	10	.889
San Francisco	81	10	.889
Los Angeles	81	10	.889
Philadelphia	81	10	.889
St. Louis	81	10	.889
San Diego	81	10	.889
Montreal	81	10	.889
Chicago	81	10	.889
Atlanta	81	10	.889
Washington	81	10	.889
San Francisco	81	10	.889
Los Angeles	81	10	.889
Philadelphia	81	10	.889
St. Louis	81	10	.889
San Diego	81	10	.889
Montreal	81	10	.889
Chicago	81	10	.889
Atlanta	81	10	.889
Washington	81	10	.889

## Turning a Paige in Baseball's Lore

By Thomas Boswell

Washington Post Service

WASHINGTON — Leroy (Satchel) Paige finally looked back Tuesday and death overtook him. But not in time. For once, death, and the death in life of prejudice, could add nothing but the skeleton of an old man.

Paige, by endurance and skill, outlasted injustice. Although major league baseball did not find room for him until 1948, when he was at least 42, Paige left a legend so large that no page of statistics could significantly alter his mark.

"I did not see Walter Johnson, but Leroy was the best I've ever seen," Bill Veck said. "If his career had run its full course in the major leagues, Paige would have held every record there was."

"He had the best fast ball, the best control and the most knowledge of pitching of anyone. Even in his late 40s, he warmed up by putting a package of cigarettes on the outside corner of the plate. That was his target," said Veck. Paige's boss during his five big-league seasons.

"Paige threw overhead, sidearm, underarm and crossfire. All his pitches moved and tailed. He had a great change-up as well as his hesitation pitch and Eephus (bloop) pitch. He had a presence on the field that was comparable to one but Babe Ruth."

The Paige tragedy is that, by his excellence, he proved that he was the one who taught him how to control his curve ball and throw a knuckleball. A week after I'd showed him the knuckleball, he called me over and said, "Now you throw it." People watchin' us saw he was throwin' it better than I was, so they said, "See how Satchel's teaching Cool Papa the knuckleball!"

Paige met considerable resistance in 1948. The publisher of The Sporting News "was always deriding us for signing Paige, saying it made a farce of the game," said Veck. "Everytime he wire, I'd send [the publisher] a wire: 'Winning pitcher, Paige.'"

"Also, the umpires weren't going to give this old black legend any of the best of it. He threw to a plate that was shorter and narrower than anybody else's. But he still fooled 'em."

In the end, Paige dismissed those who thought they hated him. "He never forced himself on anyone," says Veck. "He'd sit alone at one end of the Pullman car. But, in 10 minutes, the whole (train) team would be gathered around him."

As a St. Louis Brown, Paige had one intractable enemy — Louisiana-born catcher Clint Courtney, who wouldn't even warm up Paige, much less catch him in a game. "Then one day," says Veck, "I noticed Clint was warming him up. The next week, in Detroit, I walked into a bar in Detroit. There were Leroy and Clint having dinner together."

body beat him at anything "I was the one who taught him how to control his curve ball and throw a knuckleball. A week after I'd showed him the knuckleball, he called me over and said, "Now you throw it." People watchin' us saw he was throwin' it better than I was, so they said, "See how Satchel's teaching Cool Papa the knuckleball!"

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Satchel Paige showing his stuff with the '48 Cleveland Indians.



